

# Decision

# **Consumer Standards – Supplier 24/7 Metering Support Decision**

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We are activating a dormant licence condition in the electricity and gas supply licences. The effect of our decision is to require suppliers' enquiry services to be available 24/7 to receive reports from, and provide assistance, guidance or advice to, domestic customers whose electricity or gas supply has been interrupted by a meter fault.

This document sets out the reasons for our decision to implement a modification to the standard conditions of the gas and electricity supply licences to activate the dormant licence condition 31G.3A(c).

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# **Executive Summary**

#### 24/7 Support for customers off-supply due to meter faults

#### Risk of consumer harm

Domestic customers can experience an interruption in their supply of electricity or gas due to a meter fault outside of their suppliers' regular contact hours. Many customers are unable to report the fault and receive support from their suppliers until the next working day, in the best-case scenario. This is leading to poor customer outcomes and has the potential to cause significant customer harm, especially if that customer is already in a vulnerable situation or has an energy dependency.

Suppliers' unavailability is also putting additional and unnecessary pressure on network operators' emergency phonelines as customers may resort to seeking resolution through networks, despite networks not having responsibility for the suppliers' meters. This risks impacting their ability to respond to emergency situations in a timely manner, indirectly causing further consumer harm.

#### **Our decision**

In November 2024 we consulted on our proposal to activate a dormant licence condition, which would require suppliers' enquiry services to be available 24/7 to receive enquiries from, and provide assistance, guidance or advice to domestic customers whose electricity or gas supply has been interrupted due to a meter fault.

Following our assessment of responses to this consultation and engagement with stakeholders, we have decided to modify the electricity and gas supply licences to activate dormant licence condition 31G.3A(c). This will take effect from 1 August 2025.

We consider that activation of this condition will provide important protection for customers that have lost supply of electricity or gas due to a meter fault outside of their suppliers' regular contact hours. This decision also aligns with our commitment in the <a href="Consumer Confidence programme">Consumer Confidence programme</a> published in September 2024 to work in collaboration with industry and stakeholders to define the wider consumer outcomes we expect suppliers to deliver across the market to drive improvements in service standards. We intend to consult later this year on our draft consumer outcomes.

#### **What this means for Domestic Customers**

We do not expect consumers to know what has caused them to go off-supply. The messaging around the 24/7 contact service for domestic customers off-supply due to meter faults should be as clear as possible to minimise the risk of delays to emergency responses.

However, in situations where the interruption in supply is due to a meter fault then we consider it important and in consumers' interest to be able to report this and receive support from their supplier as the industry party responsible for the meter and that is best placed to provide appropriate assistance, guidance or advice. We recognise that some suppliers already provide this service for their customers, and activating this licence condition will ensure that all domestic customers have the same minimum protection regardless of the supplier with which they have a contract.

Alongside this decision document is our updated Contact Ease guidance. This guidance, originally published as part of our Consumer Standards decision in October 2023, has been updated to provide clarity on our expectations on suppliers for 24/7 support for domestic customers off-supply due to meter faults.

The outcomes that we would expect suppliers' 'assistance, guidance or advice' to deliver for domestic customers include:

- The customer is provided with information that enables them to understand which organisation to contact when they are off-supply and how to do so.
- The supplier is available 24/7 to receive enquiries from domestic customers off-supply due to meter faults, to triage what might be causing the interruption in supply and determine if it is urgent. We would expect the supplier to offer assistance, guidance or advice to resolve the issue at the time of the enquiry where this is possible to do so remotely through the enquiry service, or at the earliest opportunity.
- The customer's supply is restored as soon as possible in line with existing obligations, and the customer is advised of the supplier's process to investigate and fix any meter fault, including an estimated timeline for the issue to be investigated or resolved.
- The supplier to consider whether a customer requires further urgent assistance as
  a result of being off-supply due to a meter fault in line with existing licence
  obligations, especially if that customer was already in a vulnerable situation prior
  to being off-supply.

The activated licence condition is principles-based, and we recognise that different suppliers may meet the Contact Ease requirements and our expectations for their enquiry service in different ways due to their different circumstances, business models or customer bases. We will monitor suppliers' compliance to ensure that domestic customers are receiving the support we expect.

A final Impact Assessment has been published alongside this decision document, in addition to the formal Decision Notices which contain the text of the licence modifications.

# **Introduction**

#### **Section summary**

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

#### **Context and related publications**

In November 2024 we consulted on our proposal to activate a dormant licence condition in both the electricity and gas supply licences: <u>Consumer Standards - Supplier 24-7</u>

<u>Metering Support statutory consultation</u>. This condition, if activated, would require suppliers' enquiry services to be available 24/7 to receive enquiries from, and provide assistance, guidance or advice to, domestic customers who are off-supply due to a meter fault.

This licence condition was added to the electricity and gas supply licences as dormant as part of our Consumer Standards decision in October 2023, available on our website:

Consumer standards decision. At the time, we decided that the condition would be dormant to provide industry further time to develop an industry-led solution to the issue of domestic customers being unable to contact their supplier outside of their supplier's regular contact hours where they were off-supply due to a meter fault.

Our November 2024 consultation proposed to activate this condition as there had been insufficient progress on an industry-led solution, and we considered that consumers were at risk of harm without the ability to contact their supplier in these situations.

Our approach of a principles-based licence condition, supported by non-prescriptive guidance setting out our expectations of suppliers, is aligned with our ongoing work announced in our September 2024 Consumer Confidence publication: <a href="Consumer confidence">Consumer confidence</a>: a step up in standard. One aspect of this is to set out the overall consumer outcomes that consumers should expect to receive. We intend to consult publicly on these wider consumer outcomes later this year.

#### **Our decision**

Following the Statutory Consultation published in November 2024, we are now formally deciding to activate the dormant SLC 31G.3A(c) in both the electricity and gas supply licences.

This will take effect from 1 August 2025.

This decision document is accompanied by an Impact Assessment and Decision Notices to modify SLC 31G.3A(c) in both the electricity and gas supply licences. The text of the licence condition can be found in the Notices or in Appendix 1 of this decision document.

Alongside activating the dormant licence condition, we have also decided to update the Contact Ease guidance to add a section related to the newly activated principles-based licence condition. We have taken into account the feedback received through the consultation on the drafting of the guidance.

This updated Contact Ease guidance document published alongside this decision sets out our expectations of suppliers in relation to the assistance, guidance or advice that should be provided 24/7 to domestic customers who are off supply due to a meter fault. The existing SLC 31G.3E requires suppliers to have regard to this guidance when complying with relevant licence conditions. However, as before, this guidance is not intended to place additional prescriptive requirements onto suppliers over and above the activated licence condition.

This decision document is split into three chapters, with two appendices:

- Chapter 1 Rationale for activating dormant licence condition
- Chapter 2 Activation of the dormant Licence condition
- Chapter 3 Update to Contact Ease guidance
- Appendix 1 Licence modification
- Appendix 2 Changes to Contact Ease guidance

## **Our decision-making process**

In coming to our decision, we have engaged extensively with stakeholders, including previous consultations and bilateral discussions with interested organisations.

Our decision to activate this licence condition is the final stage in our Consumer Standards workstream which began in 2023, aimed at addressing priority customer service issues and improving consumers' experience within the energy market.

#### **Decision-making stages**

Date	Stage description	
03/05/2023	Stage 1: Consultation on a framework for consumer standards and policy options to address priority customer service issues	
26/07/2023	Stage 2: Consumer Standards Statutory Consultation	
18/10/2023	Stage 3: Consumer standards decision	
14/11/2024	Stage 4: Consumer Standards - Supplier 24-7 Metering Support statutory consultation	
10/04/2025	Stage 5: Decision on 24/7 Metering Support	

#### **General feedback**

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

Please send any general feedback comments to <a href="mailto:FutureConsumers@ofgem.gov.uk">FutureConsumers@ofgem.gov.uk</a>.

# 1. Rationale for activating dormant licence condition

#### **Section summary**

This section provides a summary of the background to our decision that was fully detailed in our November 2024 consultation.

We also detail the rationale for the proposal to activate the dormant licence condition that we put forward in the consultation, summarise the feedback received from consultation responses and set out our considerations of those responses.

#### **Questions from the November 2024 Statutory Consultation**

Q1. Do you agree with our proposal to activate supplier SLC 31G.3A(c) in order to meet our desired outcome for consumers?

## **Background**

#### Previous work on off-supply support

- 1.1 This decision to activate the dormant licence condition is the culmination of our Consumer Standards workstream which began in 2023 and considered the issue of a requirement being placed on suppliers to address the consumer harm identified. We explain in full detail how this work has progressed in Chapter 2 of our November 2024 statutory consultation, available here: <a href="Supplier 24-7">Supplier 24-7</a>
  <a href="Metering Support statutory consultation">Metering Support statutory consultation</a>.
- 1.2 In our November 2024 consultation we set out the work we had previously undertaken during our Consumer Standards workstream on the issue of customers contacting their supplier outside of regular working hours when they are off-supply due to a meter fault:
  - Our May 2023 policy consultation initially proposed a 24/7 enquiry service for all customers and issues. The feedback we received suggested that there was insufficient evidence of a need for a universal 24/7 enquiry service to justify the potential costs.
  - A revised proposal was included in our July 2023 statutory consultation to require domestic suppliers' enquiry services to be available 24/7 for domestic customers off-supply due to an issue within suppliers' responsibility. Feedback requested further clarification on the intent behind the proposal and what issues would be considered within suppliers' responsibility.

- We further revised the licence condition in our Consumer Standards decision in October 2023 to specific that 24/7 contact would only be required for domestic customers who were off-supply due to a meter fault. In addition, this licence condition was introduced as dormant and would not become an active requirement on suppliers until further consultation.
- 1.3 We decided to introduce this specific requirement as dormant based on feedback received from some suppliers that the requirement would be overly costly, although insufficient data was available at the time to allow us to complete a full assessment. In addition, some suppliers considered it would be an inefficient approach if it resulted in all suppliers having individual enquiry services for customers off-supply due to meter faults outside of regular contact hours.
- 1.4 Based on this feedback, our decision to introduce the licence condition as dormant was intended to provide industry parties more time to develop the industry-led solution that some suppliers had suggested could deliver a more efficient outcome for consumers.
- 1.5 We also actively sought to facilitate and encourage discussions between supplier and network operators so that an industry-led solution could be developed in the interests of consumers. However, there has been insufficient progress on its development to date and the risk of consumer harm continues to be unaddressed.
- 1.6 Given the lack of industry agreement on a way forward, we issued requests for information (RFIs) to all domestic suppliers as well as gas and electricity network operators in June 2024 to inform our considerations. These RFIs provided us with data that was not available to us previously on the scale of the issue and costs of implementation to suppliers, ultimately informing our proposal to activate the dormant supplier licence condition.

#### Rationale for further action

- 1.7 Currently, where a customer is off-supply due to a meter fault outside of their supplier's regular contact hours (such as overnight, weekends or bank holidays), many are not able to report the fault immediately nor receive any advice or assistance until, at best, the next working day. This could be longer than a day in the case of weekends and bank holidays.
- 1.8 As we set out in our November 2024 consultation, we consider that this is leading to poor consumer outcomes and has the potential to cause significant harm, especially if the consumer is already in a vulnerable circumstance prior to being off-supply.

- 1.9 Without access to a 24/7 enquiry service, customers off-supply due to a meter fault are at risk of being without power or gas for an extended period of time with no assistance, guidance or advice being provided by the supplier that is ultimately responsible for the meter. For example, there could be significant risk of harm to consumers that are medically dependent upon electricity and have their supply interrupted due to a meter fault. Faster restoration of supply or simply providing assistance, guidance and advice to customers who are off-supply is expected to reduce the risk of harm through injury and fatality.
- 1.10 Currently, some of these consumers are having to rely on the 24/7 emergency enquiry services provided by network operators for gas and electricity network related emergencies. This creates an additional risk of consumer harm with unnecessary pressure being placed on these emergency contact services and delaying network responses in actual emergency situations for which they are responsible.
- 1.11 Consumers that contact the network emergency lines in these situations because their suppliers are not contactable at the time are also experiencing poor outcomes. As the network is not responsible for the meter, they are in many cases unable to provide the assistance or guidance to reassure the consumer or begin the process to restore their supply and unable to sign-post or transfer to the responsible supplier if that supplier has not contact option outside of regular hours.
- 1.12 Responses to our June 2024 RFI from suppliers and network operators allowed us to estimate the scale of the issue across the market. We set out in the November 2024 consultation that the estimated annual number of relevant out-of-hours meter fault enquiries was 83,204. This is based on using 8pm to 8am as the out-of-hours timeframe.
- 1.13 We also noted in our November consultation that some suppliers already provide a 24/7 service for domestic customers off-supply due to meter faults. As a result, the outcome we want to see all customers experience is currently dependent upon the supplier the consumer has a contract with. We consider that this is an area where consumer standards should be improved and this protection from potential harm should be available regardless of which supplier a customer has a contract with.
- 1.14 Our draft Impact Assessment accompanying the November 2024 consultation set out our estimated cost of activating the dormant licence condition would be relatively low, based upon supplier costs submitted in response to our June 2024

- RFI. We had estimated the market-wide one-off implementation costs to be c£1.05m-£1.50m (£0.03-£0.05 per household), with additional ongoing costs of c.£6.41m-£9.03m annually (£0.20-£0.28 per household), not including any illustrative benefits that we had monetised.
- 1.15 As a result of the lack of agreement on an industry-led solution since our October 2023 decision, and the above reasons setting out why action is still required, we considered that it was in consumers' interests to activate the dormant licence requirement. This would require suppliers' enquiry services to be available 24/7 for domestic customers off-supply due to a meter fault, and to provide them with assistance, guidance or advice.
- 1.16 Activation of the condition would ensure that all domestic customers can expect to receive the same minimum level of service should they be off-supply due to metering faults outside of their suppliers' regular contact hours. This in turn could decrease the time it takes for the issue to be resolved, or allow for the consumer to receive appropriate assistance, guidance or advice from the responsible supplier in the meantime. In addition, it would reduce the unnecessary pressure on network operators' emergency enquiry services and alleviate the risk of delays to emergency responses.

#### Feedback received

- 1.17 Overall, we received 29 formal responses to our consultation. The majority of responses were supportive of our proposal to activate the dormant licence condition and underlying rationale.
- 1.18 All responding network operators and one trade body were fully supportive of our proposal to activate the dormant licence condition. These responses generally favoured a speedier implementation to protect consumers.
- 1.19 Both consumer organisations that responded were supportive of our proposal and rationale. However, one of the organisations suggested that the positive impact for consumers may be limited unless Ofgem's overall approach to compliance and enforcement is improved.
- 1.20 We also received 2 responses from individual consumers that addressed the issue under consideration. One of these responses was fully supportive of our proposal, citing the significant risk to consumers from being unable to report a meter fault overnight or extended weekends and bank holidays. The other response disagreed with our approach of a principles-based SLC and accompanying guidance, suggesting that it would not deliver any substantial change to suppliers' operations or consumer benefit compared to a more prescriptive approach.

- 1.21 The majority of energy suppliers that responded to the consultation were not supportive of our proposal or rationale, in addition to one other industry trade body.
- 1.22 Some suppliers stated that activating the SLC would not provide the benefit we expected for consumers, nor have we clearly defined the scope of the issue and consumer harm that we are seeking to address. It was suggested that activating the SLC would not actually provide faster resolution to customers off-supply due to meter faults in practice as any resolution is down to the availability of meter agents and not time of contact. This misalignment between consumer expectations and actual outcomes risks further eroding trust in the energy market and overall regulatory framework.
- 1.23 Concerns were raised about the disproportionate costs of implementing a 24/7 enquiry service, both on its own and cumulative with other ongoing regulatory changes. Ofgem was urged to reconsider the impact that this would have on supplier financeability as well as competition and innovation across the energy market. Multiple suppliers also emphasised the importance of any additional burden of costs should be reflected in Ofgem's ongoing review of the operational cost allowance under the price cap.
- 1.24 Some suppliers and one trade body also suggested that the best solution to any consumer harm remains an industry-wide solution between suppliers and network operators, and that such a solution would be more cost effective and present a better consumer journey. Ofgem was urged to either allow further time for this to be delivered or to take a formal role in establishing the necessary regulatory mechanisms. One consumer organisation also stated its support for an industry-wide solution operating in the same say as, or together with, network operators.
- 1.25 However, a minority of suppliers were supportive of our proposal and rationale. These suppliers noted that they already provide this service for their customers and agreed that all consumers should be able to contact their supplier and be appropriately supported if they are off-supply due to a meter fault outside of their suppliers' normal contact hours.

#### Ofgem's decision

1.26 We continue to consider that there is significant risk of consumer harm in current circumstances where a domestic consumer is off-supply due to a meter fault outside of their suppliers' regular contact hours and unable to contact the supplier. As stated in our consultation, we estimated that around 83,000 such calls occur annually based on the information provided by suppliers and network

- operators in response to our June 2024 RFI. This is why we have decided to activate the dormant licence condition as proposed. The licence condition activation will take effect from 1 August 2025, from which date suppliers will be required to comply. Further details on the implementation and timetable can be found in Chapter 2 of this decision.
- 1.27 Suppliers have ultimate responsibility for ensuring that meter faults are resolved and are best placed to provide their domestic customers with appropriate assistance, guidance or advice in these situations. We welcome that the majority of consultation respondents agree with our proposal.
- 1.28 We still consider that being able to report a meter fault causing a loss of supply as soon as possible can lead to faster resolution, as described in our consultation. Even in specific instances where it does not, it is still in consumers' interest to be provided the appropriate assistance, guidance or advice from the industry party responsible for that meter the customer's supplier rather than receiving no support until the next working day or having to rely on network operators who are not best placed to provide that support.
- 1.29 As stated in our November 2024 consultation, the activation of the dormant licence would not prohibit the development of an industry-wide solution between suppliers and networks. Nor does it prescribe the manner in which individual suppliers must comply with the principles-based requirement.
- 1.30 However, we continue to consider it an important consumer protection issue that any domestic customer is able to contact their supplier when a meter fault has caused them to lose their electricity or gas supply at any time.
- 1.31 Our approach also recognises that different suppliers may seek to comply in different ways now or in the future, based on their specific circumstances, business models or customer bases. It will be for suppliers to demonstrate that they are meeting the principles-based requirement and able to deliver the expected consumer outcomes set out in the accompanying updated guidance.
- 1.32 With regards to costs, our Impact Assessment sets out the estimated one-off implementation and ongoing costs for suppliers, based on data received from suppliers themselves in response to our June 2024 request for information. Only one supplier provided updated cost estimates in response to the November 2024 consultation. These have been taken into account for the final Impact Assessment. Further description of the feedback and our response on the draft Impact Assessment can be found in Chapter 2 of this document. Overall, our

- assessment remains that the costs to industry would be relatively low to meet compliance with the activated requirement.
- 1.33 Ofgem's December 2024 statutory consultation on the price cap operating cost allowance highlighted that we were considering the impact of recent and future regulatory changes including our proposed activation of SLC 31G.3A(c).¹ Our final Impact Assessment, published alongside this decision document, includes updated costs and will be considered as part of our wider review of the operating cost allowance in line with our final approach to the impact of future regulatory changes on suppliers' costs.

#### **Expected consumer outcomes**

- 1.34 In our November 2024 consultation we proposed to activate the dormant licence condition which would put a principles-based requirement onto suppliers, accompanied by a guidance document setting out clear consumer outcomes that we expect suppliers to be able to demonstrate they are meeting.
- 1.35 This was intended to recognise that different suppliers may take different approaches to best comply with the principles-based requirement, based on their specific circumstances, business models or needs of their customers.
- 1.36 To achieve this, we proposed an update to the Consumer Ease guidance document that suppliers must have regard to when complying with the relevant licence conditions. This was intended to provide suppliers with greater clarity on our expectations in relation to their enquiry services and their provision of 24/7 'assistance, guidance or advice' as required in the licence condition. We discuss this fully in Chapter 3 of this decision document.
- 1.37 Our consultation also set out how we considered that activating this licence condition aligns with our commitment in the Consumer Confidence programme published in September 2024 to work in collaboration with industry and stakeholders to define the wider consumer outcomes we expect suppliers to deliver across the market to drive improvements in service standards.
- 1.38 We recognised that the dormant licence condition, if activated, would be limited in scope to domestic suppliers' enquiry service availability and would not impose additional prescriptive requirements on suppliers in relation to investigating and resolving the meter faults at customers' premises.

<sup>&</sup>lt;sup>1</sup> See Appendix 1 Core Operating Costs - <u>Energy price cap operating cost and debt allowances consultation | Ofgem</u>

1.39 As a result, we committed to keep this issue under review and noted that we may consider targeted actions in the future if we consider that consumers are at risk of suffering significant detriment due to suppliers not being explicitly required to take immediate action on meter faults outside of regular working hours. As an example, we highlighted the upcoming wider review of our Guaranteed Standards of Performance (GSOP) as a potential route of action if we deemed it in consumers' interests.

#### Feedback received

- 1.40 We received numerous responses regarding the drafting of the guidance document. This feedback and our response to it is set out in detail in Chapter 3 of this decision.
- 1.41 Network operators suggested that activation of the SLC and our accompanying guidance would not provide full protection from harm for consumers who were off-supply due to a meter fault outside of their suppliers' regular contact hours. For example, they called for more prescriptive requirements being placed on suppliers to investigate and fix the underlying meter fault at the time of contact to speed up a resolution. Some suggested that the requirement should cover all issues that are the suppliers' responsibility, such as PPM credit and billing issues, which are also placing unnecessary pressure on network operators' emergency lines.
- 1.42 One consumer organisation, while supportive of our proposal to activate the licence condition, raised a number of factors that may limit the benefit to consumers. These included an overall poor customer service experience in the sector, poor compliance with the current standards on speed of action to reconnect PPM customers, and the existing standards for fixing credit meters not addressing continuity of supply.
- 1.43 The response also noted that the licence condition and proposed guidance would not require suppliers to provide a resolution or fix the meter fault outside of regular working hours, which would limit the benefit for consumers that are without gas or electricity supply due to meter faults.
- 1.44 One supplier highlighted that our consultation suggested potential future action, such as new licence conditions or additional financial or reputational incentives. This supplier considered the requirements of the dormant licence condition to be clear and sufficient to deliver the consumer outcomes we are seeking, and warned against duplication or over-regulation which may hinder innovation or the focus on the immediate needs of customers.

1.45 It was suggested that Ofgem should ensure compliance with the licence condition, if activated, through its existing monitoring and reporting capabilities to ensure suppliers are provided with an opportunity to implement and bed-in the new processes before considering any further action. This supplier encouraged Ofgem to use our existing powers to address matters with individual suppliers if they arise, rather than applying the same penalties via increased regulation to the whole market.

#### Ofgem's decision

- 1.46 We do not consider it appropriate or necessary for the expected consumer outcomes related to SLC 31G.3A(c) to include requirements on suppliers to visit consumer premises outside of regular working hours. The licence condition we are activating relates specifically to the availability of suppliers' enquiry services for domestic customers off-supply due to meter faults and not wider operations.
- 1.47 We have been clear in the existing guidance and previous Consumer Standards decision that the guidance itself is not intended to add prescriptive requirements on suppliers on top of the principles-based Contact Ease licence conditions. We have made some changes to the final guidance to better reflect the scope of our expectations on suppliers when delivering against the principles-based licence condition, which are detailed further in Chapter 3 of this document.
- 1.48 Our consultation did suggest that further 'targeted action' may be taken on this issue or connected concerns in other workstreams if this was considered in consumers' interests, such as our upcoming review of the GSOP framework. Some stakeholders warned against duplication or over-regulation in place of effective monitoring and compliance work. We will take these points into consideration as we agree that effective monitoring and ensuring the successful delivery of this new requirement is the best means to address the identified risk of consumer harm.
- 1.49 As announced in our September 2024 <u>Consumer Confidence publication</u>, we are also developing wider Consumer Outcomes which we would expect all suppliers to meet across all their services and operations. These are currently being developed in collaboration with the entire sector, such as suppliers, trade bodies, charities and consumer organisations, before wider public consultation later this year.
- 1.50 However, rather than seeking to place further obligations on suppliers over and above existing regulations, this project is firstly focussed on more clearly defining and communicating the overarching consumer outcomes that we expect suppliers

to deliver for consumers in general to help drive improvements across the market.

# 2. Activation of the dormant licence condition

#### **Section summary**

We provide an overview of our decision to activate the dormant licence condition that will require suppliers' enquiry services to be available 24/7 to domestic customers off-supply due to meter faults, and provide assistance, guidance or advice to those customers. In making this decision we have also decided to modify both the electricity and gas supply licences as proposed to make the activation clear.

The activation of SLC 31G.3A(c) will take effect from 1 August 2025. This is in response to feedback received from stakeholders on implementation timings, which we have explored in this section.

We also explore the feedback received in response to the draft Impact Assessment published alongside our November 2024 Statutory Consultation, including the changes we have now made for the final Impact Assessment accompanying this decision.

#### **Questions from the November 2024 Statutory Consultation**

- Q2. Are there any further issues with implementation that we have not considered in this consultation? Please provide any relevant information to evidence the issues.
- Q3. Do you have any comments on the draft Impact Assessment published alongside this document, including the costs and benefits, competition impacts, and unintended consequences?

#### **Implementation**

#### Activation of SLC 31G.3A(c)

- 2.1 Our November 2024 consultation proposed to activate a standard licence condition (SLC) in both electricity and gas supply licences which had been introduced as dormant in 2023 by our Consumer Standards workstream. This is SLC 31G.3A(c).
- 2.2 This dormancy was achieved in the licence by stipulating as part of the SLC that the specific paragraph will only take effect following consultation and after Ofgem has given licensees at least two months' notice.
- 2.3 We stated that our decision on this proposal would be the Notice required under the current SLC for it to take effect after at least two months, if we ultimately decided to activate the SLC.

2.4 In addition, our decision would serve as statutory notice of modifications to both the electricity and gas supply licences to remove the text from 31G.3A(c) that stipulates it will not take effect until Ofgem gives at least two months' notice, to ensure clarity for current and future licensees.

#### Feedback received

- 2.5 As highlighted in the previous chapter of this document, the majority of respondents agreed with our overall proposal to activate the dormant SLC 31G.3A(c) and make the associated update to the Contact Ease guidance document.
- 2.6 No issues or concerns were raised with the proposed process for making the modifications to the electricity and gas supply licences, although some concerns were raised by both suppliers and network operators regarding the implementation timeline.

#### Ofgem's decision

- 2.7 We have decided to activate the dormant SLC 31G.3A(c) as proposed, and in doing so modify both the electricity and gas supply licences.
- 2.8 The modifications we have decided to make do not differ from the modifications proposed in our November 2024 consultation. The full details of these modifications are provided in the Statutory Notices published alongside this decision document on Ofgem's website and sent to all relevant licensees and stakeholders. The text of the licence modifications can also be found in Appendix 1 of this decision document.
- 2.9 The effect of this decision and associated licence conditions is for the requirement of SLC 31G.3A(c) to take effect from **1 August 2025**.
- 2.10 The feedback we received on our proposed implementation timings are detailed and responded to in the following section.

#### **Implementation timing**

- 2.11 Our November 2024 consultation set out how we had considered responses to the previous Consumer Standards consultation regarding implementation timings, and the processes required to implement such a change in supplier services.
- 2.12 For example, we considered previous responses that had highlighted the need to change systems such as interactive voice response (IVR) menus and putting in place the necessary staffing resources either through hiring, training or contract negotiation. In addition, suppliers that used third party systems or staff for their

- enquiry services would need sufficient time to make the necessary commercial changes.
- 2.13 We proposed that activation of SLC 31G.3A(c) could take effect from April 2025. However, we strongly encouraged suppliers to provide us with evidenced feedback through the consultation if there were further implementation issues that may delay successful implementation of the 24/7 enquiry service for domestic customers off-supply due to meter faults.

#### Feedback received

- 2.14 We received mixed responses to our proposed implementation timetable.
- 2.15 The responses from network operators generally called for a quicker implementation than what we had proposed to ensure that customers were protected over winter 2024/25, citing the consumer harms we identified as sufficient rationale for the activation to occur as soon as practicable.
- 2.16 Suppliers that were not supportive of our overall proposal were also not supportive of our proposed implementation date. Various suppliers cited practical implications for the SLC activation that would require more time than proposed to deliver a successful service for customers. These implications included changes to staffing and resource such as hiring and training, changes to IT and supporting systems, and updates to customer communications.
- 2.17 Some suppliers also raised concerns with overlapping regulatory changes that could put significant pressure on their change processes and complicate successful delivery of the new requirements at the same time. This included proposed changes to the price cap and amendments to other licence conditions.

#### Ofgem's decision

- 2.18 As a result of the feedback received, and the need for extra time for us to fully consider all responses to this consultation, we have decided for the activation of SLC 31G.3A(c) to take effect from **1 August 2025**.
- 2.19 We recognised that for successful implementation by the proposed April 2025 a decision would have needed to be made by February 2025. Given the level of detail in the feedback received through the consultation, we considered that it was not practical to provide the decision in this timeframe.
- 2.20 In addition, based on the feedback received from suppliers, we agree that in this instance it is appropriate to provide more than the minimum 56 days' notice to enable suppliers to make the necessary changes to staffing, processes and

- systems to be able to ensure a successful implementation across the whole market.
- 2.21 This longer timeframe for implementation should also help alleviate pressure on suppliers' change processes as a result of other ongoing regulatory changes that some suppliers had raised for consideration in their responses.
- 2.22 We recognise concerns raised by networks and requests for a speedier implementation timetable and the importance of ensuring consumers are protected from the harms we have identified, including the indirect harm from unnecessary pressure on network operators' emergency lines. Our chosen implementation date of 1 August 2025 will still enable supplier compliance ahead of the next winter where unnecessary pressure on network operators' emergency lines risks the most impact on consumers.
- 2.23 In making this decision we have sought to find a proportionate balance in the timing to ensure that the protection is in place as soon as possible, accounting for some of the processes that suppliers will need to manage for a successful delivery.
- 2.24 Based on evidence at our disposal, including responses to the June 2024 RFI and November 2024 consultation, we expect that most, if not all, suppliers should meet the requirements of the activated licence condition on time. However, we encourage any supplier that may struggle to meet our implementation timescale to proactively contact us. We would expect any supplier with compliance concerns to provide us with appropriate evidence and a proposed plan to become compliant.

#### **Impact Assessment**

#### **Draft Impact Assessment**

- 2.25 Section 5A of the Utilities Act 2000 ('the Act') requires that before implementing a proposal that is important, we need to either carry out and publish an assessment of the likely impact of implementing the proposal ('a section 5A IA') or publish a statement explaining why we consider such an assessment is not necessary.
- 2.26 Our November 2024 consultation set out our reasons why we consider that our proposal to activate SLC 31G.3A(c) does not require a section 5A IA. Ofgem's guidance on Impact Assessments sets out the reasons why a proposal may be considered important for the purpose of section 5A.
- 2.27 In line with that guidance, we still do not consider that activation of SLC 31G.3A(c) would have a significant impact on suppliers and, therefore, it does not

- meet the definition of 'important' as set out in section 5A or our guidance for the same reasons set out in our consultation.
- 2.28 However, as part of our November 2024 consultation we still developed and published a draft Impact Assessment to ensure that the relevant evidence is provided and that the estimated costs and benefits of the policy are outlined.
- 2.29 A large amount of the data utilised for the IA came directly from suppliers and network operators in response to our requests for information (RFIs) in June 2024 to explore the extent of the costs and benefits of our policy in more detail.
- 2.30 The final Impact Assessment has been published alongside this decision document on Ofgem's website and shared with all relevant licence holders and stakeholders. In the following section we summarise the feedback received through the statutory consultation and explain our responses to the feedback, and the changes that have been made to the final IA compared to the previous draft.

#### Feedback received

2.31 We received a number of challenges to our draft Impact Assessment. We have summarised these below.

#### Benefits

- 2.32 Some suppliers and one trade body argued that the problem we are seeking to address is still not clear and/or questioned how the new condition would deliver benefit to customers that is proportionate to the costs to suppliers of implementing the service.
- 2.33 Some suppliers stated that they expect customer demand to be very low and/or the service underutilised.
- 2.34 One trade body expressed that there is lack of clarity on the issue and doubt in relation to what some of the IA presents. They noted that it is not clear if the estimated number of out-of-hours enquiries are posing harm to customers.
- 2.35 One supplier disagreed with one of the assumptions used in the calculation of the illustrative monetised benefits (the value of lost load for electricity) and suggested an alternative.

#### Costs

2.36 Several suppliers stated that the costs may not fully reflect the actual costs of implementing the policy, such as the costs to update supporting IT systems, hire or train staff, or renegotiate existing third-party contact service contracts.

- 2.37 Several suppliers stated that the IA does not adequately consider how costs from the changes will lead to higher bills for customers.
- 2.38 One supplier provided updated estimated cost data to now provide a range for estimated ongoing costs (when as part of their submission to the RFI, only a single value was provided).
- 2.39 Networks companies have agreed with the IA however it has also been noted by some networks that it does not take into consideration the impact of the reported fault not being fixed until the next working day.
- 2.40 One network has stated that as a result of this, a customer could persist in contacting network companies in an attempt to get a faster or temporary solution. Related to this, one trade body also stated that customers who are off-supply may still resort to contacting networks. For example, they may not be able to determine if is a meter fault and they are aware of the emergency numbers such as 105 for DNOs.

#### Wider impacts including competition impacts

2.41 Some suppliers and one trade body expressed that costs will vary significantly across suppliers (such as by size, operational model and/or customer portfolio/distribution of meter types) and this could place some suppliers, especially smaller suppliers, at a competitive disadvantage and/or act as a barrier to market entry.

#### **Final Impact Assessment**

2.42 In response to the challenges outlines above, in our final IA we have made a small number of changes from the draft IA. We have summarised these below, together with our response to other challenges where we have not revised the IA.

#### Benefits

- 2.43 To better reflect the range of domestic consumer electricity value of lost load (VoLL) found in the literature, we now use a lower and a higher estimate for electricity VoLL (see paragraphs 4.5 and 5.24, Table 1, the summary table of all options and Appendix 1 in the final IA). The higher estimate being the one used in the draft IA and the lower estimate being the one suggested by one supplier (although we have uplifted it for inflation, in line with what was done in the draft IA) and is from the same study that the higher value is ultimately based on. This is discussed further in paragraph 5.24 of the final IA.
- 2.44 We acknowledge that there remains uncertainty around how many cases involve harm to consumers through injury/fatality. It is for this reason that we do not

- attempt to monetise the benefits associated with a possible reduction in the risk of harm through injury/fatality. The illustrative monetised benefits are only made up of the estimated value consumers associate with faster restoration of supply for those that are off-supply for electricity or gas due to a meter fault and we expect to be impacted by the policy.
- 2.45 Although the number of relevant out-of-hours meter fault enquiries may be relatively low when compared to the total number of enquiries that suppliers receive, we consider that the calculation of benefits in the IA accounts for the estimated number of cases and that this estimate is based on the best available data we have.

#### Costs

- 2.46 As was done in the draft IA, for the supplier that has now provided a range for their ongoing costs, the mid-point of the provided range has been used in the analysis (see paragraphs 4.15, 4.16 and 5.2, the summary table of all options, the section 4 summary and Table 2 of the final IA). This also impacts the present value estimates in Appendix 2 which have been revised.
- 2.47 We acknowledge that actual costs may differ from those estimated by suppliers, however, we do not expect costs to differ materially from those estimated by suppliers in their submissions to the RFI (and any revised estimates provided in response to the statutory consultation). We consider this to be the case as the guidance has been revised to clarify that it does not introduce additional requirements that materially differ from the text of the existing dormant license condition (SLC 31G.3A(c)) which suppliers based their RFI submissions on. In addition, we consider that the final IA makes use of the best available data we have (including any revised costs, as outlined above).
- 2.48 We consider that the IA sufficiently reflects how any costs from the changes will be passed on to customers though considering these costs as part of the IA, including on a per household basis (as well as the benefits). In addition, as outlined in paragraph 1.33, the final IA will be considered as part of our wider review of the operating cost allowance in line with our final approach to the impact of future regulatory changes on suppliers' costs.
- 2.49 We consider that the IA sufficiently reflects the impact of some reported faults not being fixed until the next working day as the monetised and non-monetised benefits do not assume that all faults will be able to be fixed more quickly. In addition, we note that the monetised benefits should be treated as illustrative

- given the absence of information available to estimate an average reduction in hours off-supply.
- 2.50 We recognise that there is a risk that some customers may persist in contacting network companies in an attempt to get a faster or temporary solution and/or (initially) contact networks instead of suppliers. We do however consider that the IA sufficiently acknowledges this as we do not attempt to quantify and/or monetise any potential reduction in enquiries to networks and we do not expect the policy to increase the number of enquiries to networks compared to the status quo (SLC 31G.3A(c) not being active).

#### Wider impacts including competition impacts

2.51 We acknowledge that costs are likely to vary across suppliers, such as by size, operational model and/or customer portfolio/distribution of meter types. For this reason, we issued RFIs to all domestic suppliers to collect information regarding costs for each supplier and we consider that the draft IA sufficiently considers these differing costs and the wider impacts, including the competition impacts (see paragraphs 6.1 to 6.8).

#### Net monetised benefit

- 2.52 The net monetised benefit estimates have been revised to take into account the revised cost and benefit estimates (see page 3, the section 4 summary and paragraph 4.19 of the final IA).
- 2.53 As in the draft IA, we consider that the costs are proportionate to the benefits that customers may receive, and we consider the policy to be in line with our duties as a regulator. This is discussed further in paragraphs 4.19 to 4.21 of the final IA, which are unchanged from the draft IA with the exception of the net monetised benefits estimates in paragraph 4.19.

#### **Public Sector Equality Duty**

- 2.54 Ofgem has a legal duty under section 149 of the Equality Act 2010 to consider the impact of our policies on protected groups under the Public Sector Equality Duty (PSED). The main objective of the PSED is to:
  - eliminate discrimination, harassment, victimisation and any other and any other conduct that is prohibited by or under this Act.
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 2.55 Following our November 2024 consultation, our assessment remains that the main objective of this policy overlaps with the PSED for the following portrayed characteristics: age, disability and pregnancy and maternity.
- 2.56 Our final Impact Assessment accompanying this decision identifies the impacts of our policies for these groups and thus, it covers a requirement to complete an Equalities Impact Assessment. As we explain in this final Impact Assessment, there are benefits which may accrue to those in these protected groups.
- 2.57 For example, the risk of harm from being off-supply (and therefore the benefit from the policy) is likely highest for those who are vulnerable. Being available 24/7 for customers who are off-supply due to a meter fault would also benefit those in these groups through the policy ensuring that suppliers are providing for equality of opportunity between customers in these groups and those who are not in these groups.
- 2.58 For other protected characteristics such as gender reassignment, race, religion or belief, sex, sexual orientation and marriage and civil partnerships, we have not identified any potential for discrimination or adverse impacts from these policies. Furthermore, due to the transient nature of vulnerability, some of these groups may also benefit from these policies at different stages.
- 2.59 See the relevant sections for our final Impact Assessment for full details of the benefits to the protected groups we have identified above.

# 3. Update to Contact Ease Guidance

#### **Section summary**

The Contact Ease licence conditions introduced by Ofgem's 2023 Consumer Standards decision included a requirement for suppliers to have regard to guidance published by Ofgem. This Contact Ease guidance document was published alongside Ofgem's Consumer Standards decision.

The November 2024 Statutory Consultation on activating the dormant licence condition for 24/7 metering support also included a proposed update to the Contact Ease guidance document. The proposed update included the consumer outcomes that Ofgem expects suppliers to deliver in compliance with the licence condition.

In response to feedback received we have decided to amend the Contact Ease guidance as proposed and add a section relating to the provision of a 24/7 enquiry service for domestic customers off-supply due to meter faults. We have made minor changes to the draft guidance in the November 2024 consultation to further clarify the expectations on suppliers within the scope of the licence condition.

#### **Questions from November 2024 Consultation**

Q4. Does the guidance provide sufficient clarity for suppliers, consumers and their representatives on Ofgem's expectations and consumer outcomes?

## **Contact Ease guidance document**

#### **Purpose of the Guidance**

- 3.1 Supplier standard licence condition (SLC) 31G.3E requires suppliers to have regard to any guidance that Ofgem publishes in relation to the Consumer Standards SLCs 31G.3A to 31G.3D.
- 3.2 Alongside our October 2023 Decision on Consumer Standards, we published a Contact Ease guidance document that set out our expectations of suppliers and outcomes for consumers of the new licence conditions.
- 3.3 This guidance sets out the actions Ofgem currently expects suppliers may need to take to satisfy their underlying licence obligations. The purpose of this guidance document is not to introduce further prescription over and above the principles-based requirements of the associated licence conditions.
- 3.4 Suppliers may be able to demonstrate compliance with their licence requirements in ways other than those set out in the guidance and we recognise that a supplier's circumstances, customers' needs and business model can result in

- different approaches to meeting the obligations. Where a supplier considers that contents of the guidance are not consistent or are in conflict with their obligations in the supply licence, or other relevant statutory requirements, then nothing in the guidance document should be considered to override those obligations.
- 3.5 In our November 2024 consultation we proposed to update this Contact Ease guidance document to introduce a section on the requirement for 24/7 enquiry service for customers off-supply due to meter faults if we decided to activate the currently dormant SLC 31G.3A(c).
- 3.6 We consulted on the wording of this additional guidance which we based on the original draft guidance that we had published as part of our Consumer Standards consultation in July 2023, taking into account previous feedback we had received before we introduced the licence condition as dormant.

#### **General feedback received**

- 3.7 We received a mixed response across the consultation responses that had responded to the specific question on the proposed guidance update. Of these 17 responses, 7 agreed with the guidance or raised no issues while another 7 had raised significant issue with the drafting of the guidance or questioned its impact. Another 3 responses raised only minor drafting suggestions for the guidance.
- 3.8 Responses from network operators were supportive of the guidance update.

  However, two of these responses suggested that the guidance does not go far enough in ensuring that suppliers take immediate action once a meter fault has been reported outside of regular working hours.
- 3.9 The majority of supplier responses disagreed or raised concerns with the draft guidance. There was concern that the guidance was too broad and expanded the scope of supplier responsibility above and beyond what is intended by the licence condition. One supplier also suggested that the inclusion of policy statements in the guidance was inappropriate for the document's intent.
- 3.10 One of the responding consumer organisations agreed that the guidance provides sufficient clarity for suppliers and consumer representatives. This organisation also suggested drafting changes to the expected outcomes to ensure that the service that consumers receive is consistent across all suppliers. However, one other consumer organisation raised concerns with the clarity provided in relation to the other Contact Ease licence conditions, such as on available contact methods.

3.11 A general concern was also raised by one respondent about the lack of a formal procedure for making changes to the guidance and Ofgem's expectations, compared to a licence modification, which could have a significant impact on the compliance requirements for suppliers.

#### Our decision on the Guidance

- 3.12 We have decided to update the Contact Ease guidance as proposed and introduce a new section to outline our expectations of suppliers in their compliance with SLC 31G.3A(c). This updated Contact Ease guidance document has been published alongside this decision and supersedes the version published on 18 October 2023.
- 3.13 We have made some drafting changes to the 24/7 metering support guidance based on the feedback received through the November 2024 consultation. These tracked changes are set out in Appendix 2 of this decision.
- 3.14 We have also made some minor general changes to the text to better reflect the purpose of the guidance. As suggested by one stakeholder, some of the policy statements have been removed to ensure that the enduring guidance remains appropriate for the future.
- 3.15 We do not consider it necessary to make changes to the overall guidance document in response to the concern raised about the process for updating our expectations. The relevant licence condition (SLC 31G.3E) already requires Ofgem to consult on any proposed revisions to the guidance. This is also reiterated in the guidance document itself.
- 3.16 Below, we have set out in more detail our rationale for the changes, and our responses to particular points raised on the scope and intent of the licence condition, its interaction with other Contact Ease licence conditions, and the consumer outcomes we expect suppliers to deliver.

# **Changes to the Guidance**

## Clarity of scope and intent

Proposed guidance

3.17 Our November 2024 consultation update took account of responses to the original draft guidance that we had previously consulted on in July 2023. As part of this we included additional clarity on the scope of our expectations, specifically that the service that suppliers provide is only expected to serve customers off-supply due to meter faults. 3.18 As with the original draft, the guidance did not prescribe a specific method suppliers must use to provide this service. We continued to recognise that suppliers may deliver this service in different ways, depending on their circumstances, customers' needs and business models.

#### Feedback received

- 3.19 Some suppliers that raised objections with the guidance suggested that the intent of the requirement and our expectations on suppliers were still not clear. For example, these responses requested further emphasis on this 24/7 service only being for emergency situations where domestic customers have lost supply due to meter faults.
- 3.20 There was also concern from some stakeholders that the guidance could lead to the 24/7 service being expected to respond to any and all customer enquiries, which would significantly expand the scope beyond the licence condition wording.
- 3.21 Some suppliers raised concerns that the proposed drafting of the guidance would broaden the scope of suppliers' obligations beyond what is required under the licence condition.
- 3.22 However, as noted above, two network operators suggested that the guidance should include additional prescriptive requirements on suppliers to fix meter faults within certain times out-of-hours, instead of just being available to receive reports.
- 3.23 It was also suggested that Ofgem should ensure that the guidance is future-proof and agile to allow suppliers to continue to innovate.

#### Ofgem's decision

- 3.24 As explained in our November 2024 consultation, it is not our intention to expand suppliers' obligation to any and all consumer enquiries and this is already noted in the guidance. It is also not our intention to include any prescriptive requirements to visit or investigate meter faults through the guidance, as suggested by two network operators. We still consider that doing so would be outside of the scope of SLC 31G.3A(c).
- 3.25 There are existing requirements relating to the investigating and resolution of meter faults that suppliers will need to take into account, such as the Guaranteed Standards of Performance (GSOP). We do intend to undertake a wider review of GSOP but any changes to the standards would only take place after appropriate assessment of consumer benefits and costs, and consultation with relevant stakeholders as part of the review.

- 3.26 We have made some minor drafting changes as suggested to further emphasise that the licence condition, and our expectations for suppliers' 24/7 metering support enquiry service, only relates to domestic customers that are off-supply due to meter faults.
- 3.27 The guidance does not place prescriptive requirements on suppliers as to how they comply with the licence condition or successfully deliver the expected consumer outcomes. As highlighted above, we recognise that different suppliers may take different approaches. We consider that this provides sufficient flexibility to allow suppliers to innovate, while also ensuring there is tangible protection for consumers against the harm we have identified.

#### **Interaction with Contact Ease licence conditions**

#### Proposed guidance

- 3.28 In the November 2024 consultation we sought to clarify that suppliers should also have regard to other relevant licence conditions and associated guidance when complying with SLC 31G.3A(c).
- 3.29 These other conditions and guidance included, but were not limited to, limbs (a) and (b) of SLC 31G.3A in addition to the other Contact Ease licence conditions that took effect in December 2023.
- 3.30 However, it was not the intention of the guidance to prescribe or define each and every way that suppliers should have regard to the other relevant licence conditions when delivering the 24/7 service for domestic customers off-supply due to meter faults.

#### Feedback received

- 3.31 Some of the feedback we received questioned the necessity of repeating the expectations related to other Contact Ease licence conditions. For example, a supplier suggested that suppliers should already be aware of the existing obligations and expectations outlined elsewhere in the guidance so there is no additional benefit to reiterating.
- 3.32 It was also suggested that Ofgem should not expect suppliers' 24/7 enquiry services to further prioritise specific customer categories over and above domestic customers that are off-supply due to a meter fault. As the service would already be targeted at a specific customer category, any further expectations of prioritisation could hamper the overall deliverability and effectiveness of the service.

- 3.33 One supplier asked for specific clarification on the services that would be expected of the 24/7 service for metering support. In particular, the supplier questioned whether it would be expected to provide a translation service and video support as part of its out-of-hours enquiry service for meter faults, as it did with its existing regular hours service.
- 3.34 One consumer organisation also raised concerns relating to the methods by which customers would be able to contact their supplier under this condition. For example, those with no broadband service and those who have a reliance on landlines may have additional challenges with finding relevant contact information or contacting their supplier in the event of being off-supply due to a meter fault. This could be made worse by geographical limitations and with the ongoing developments to the communications infrastructure that could restrict consumers options without power.

#### Ofgem's decision

- 3.35 In response to the feedback we have removed paragraphs that reiterated our expectations that had been described elsewhere in the guidance document for other licence conditions. We agree that this repetition is unnecessary in this section and is not in line with how the guidance document as a whole is drafted.
- 3.36 This repetition of expectations could also have caused issues if any of the guidance sections or expectations in relation to other licence conditions were amended in the future. The guidance document already clarifies in paragraph 1.16 that the limbs of SLC 31G.3A are cumulative and collectively set out the minimum that suppliers' enquiry services must offer.
- 3.37 However, we have kept the clarification that not all contact methods or services would be expected to be available 24/7 for the purpose of this licence condition. We recognise that there may be practical limitations in doing so. The licence condition and associated guidance is not intended to prescribe the exact manner in which suppliers meet the expected outcomes, as different suppliers may take different approaches to best meet their customers' specific needs.
- 3.38 The guidance also already sets out our expectation in paragraph 1.27 that suppliers should continuously review the effectiveness of their available contact methods to ensure that what they have on offer continues to best meet their customers' needs.
- 3.39 The feedback we received that raised concerns about the ability of some customers to contact their supplier due to changes to the communications infrastructure or regional limitations are important considerations. Suppliers

already have obligations on providing information to customers in a form and frequency that that is sufficient to enable them to quickly and easily understand how to contact the supplier. Through the Contact Ease licence conditions introduced in 2023 suppliers must offer a range of contact methods for their general enquiry service. However, we will take these concerns under consideration as part of our work on Consumer Outcomes to ensure that consumers continue to receive appropriate support from their supplier for those issues within suppliers' responsibility. This workstream was announced as part of our Consumer Confidence publication in September 2024, available here:

Consumer confidence: a step up in standards.

#### **Expected consumer outcomes**

#### Proposed changes

- 3.40 The November 2024 consultation included four new consumer outcomes that we expect suppliers to deliver. These are explored further in Chapter 3 of this decision.
- 3.41 We proposed the following outcomes that we would expect suppliers' enquiry service to deliver for customers:
  - A2.12i The customer understands which organisation to contact and how, and that the relevant contact information is clear and easy to find.
  - **A2.12ii** The supplier is available to receive enquiries from customers off-supply due to meter faults, to triage what might be causing the interruption in supply and determine if it is urgent. We would expect the supplier to offer assistance, guidance or advice to resolve the issue at the time of the enquiry where this is possible, or at the earliest opportunity.
  - A2.12iii The customer's supply is restored as soon as possible in line with
    existing obligations, and the customer is advised of the supplier's process to
    investigate and fix any meter fault, including an estimated timeline for the
    issue to be investigated or resolved if it is in the supplier's control.
  - A2.12iv The supplier to consider whether a customer requires further
    assistance, in line with existing licence obligations, especially if that customer
    is in vulnerable a circumstance.

#### Feedback received

3.42 We received minimal comments on the drafting of the consumer outcomes. Some of the general comments on scope also included these outcomes but have been reflected in the subsection above.

- 3.43 The relevant comments we received on the outcome drafting and impacts included:
  - **A2.12i** The expectation sets an unenforceable compliance standard of ensuring 'customer understand', rather than 'customers are provided with information' that is used in SLC 31G.1 on information provision.
  - A2.12ii The phrasing used ('resolve the issue at the time of the enquiry
    where this is possible, or at the earliest opportunity') creates ambiguity
    around compliance expectations. This outcome risks extending requirements
    beyond the current SLC and GSOP framework without undergoing the
    appropriate regulatory and consultation processes.
  - A2.12iii The caveat that the estimated timeline is provided 'if the issue is in
    the supplier's control' should be removed. Given that any meter fault is the
    responsibility of the supplier, this qualification that it may not be in their
    control remove some of their responsibility to fix it. This may also lead to
    suppliers being able to justify not providing an estimated timeline, for
    example if they consider the availability of third-party metering agents to be
    outside of their control.
  - A2.12iv Phrasing could suggest suppliers would be required to address all issues even if unrelated to the immediate off-supply meter issue. The vague expectation of 'further assistance' risks introducing a 24/7 general customer service enquiry service that Ofgem had previously ruled out and would be outside the scope of the SLC.
  - However, one consumer organisation also urged the importance of customers who contact suppliers for issues outside of meter faults to not be turned away or prevented from seeking further assistance for their problem.

#### Ofgem's decision

- 3.44 We agree to some extent with the comments summarised in the above paragraph. As a result, we have made minor changes to each of the four expected consumer outcomes. The full tracked changes can be found in Appendix 2 of this document.
- 3.45 The summary and rationale of the changes we have made are:
  - A2.12i We agree with this comment and have amended the outcome to reflect the existing language in SLC 31G.1. It was not the intention to place a higher, and potentially unachievable standard for the provision of information to customers.

- We would generally expect customers to be provided with information that is clear and easy to understand what contact options are available if they are off-supply. This includes the suppliers' enquiry service, as well as the networks' emergency lines for power cuts or gas emergencies.
- A2.12ii We agree that the outcome should not add a requirement on suppliers to investigate and fix all meter faults outside of regular working hours (such as by sending metering agents to visit premises).
- The outcome is intended to clarify that 'assistance' in the licence condition could include resolving a domestic customer's meter fault remotely through the enquiry service if the supplier has determined that is possible. We have amended the wording to better reflect this intention.
- A2.12iii We have amended the wording of this outcome to reflect the
  concern raised about including the qualification 'if it is in the supplier's
  control'.
- We would expect suppliers to provide an estimated timeline to investigate and
  fix the meter fault and agree with the concern that the inclusion of the
  previous wording could risk customers not receiving this if the supplier
  deemed any aspects of that investigation or fix to require third-party action.
- A2.12iv We agree that the draft wording of this outcome could have been interpreted in a way that extended the scope of our expectations beyond the requirement of the SLC. As outlined previously in this decision and the draft guidance, we do not expect suppliers to provide a 24/7 enquiry service for all enquiries. We have amended the wording to clarify the scope of the expectation is only domestic customers off-supply due to meter faults.
- However, it is still within scope of suppliers' existing obligations to ensure that
  they consider whether the customer requires further assistance as a result of
  being off-supply due to a meter fault, especially if that customer was in a
  vulnerable situation before being off-supply.
- 3.46 Where a customer contacts the 24/7 metering support service with an issue not related to being off-supply due to a meter fault, suppliers should be aware that the Standards of Conduct set out in SLC 0 would still apply to the treatment of those domestic customers in relation to its customer service arrangements and those customers in a vulnerable situation.

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# **Appendix 1 – Licence Modification**

# Modification to the standard conditions (SLCs) of all electricity and gas supply licence

- A2.1 No changes have been made to the licence modifications proposed in our November 2024 Statutory Consultation.
- A2.2 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 accompanying and published alongside this document.
- A2.3 Deletions are shown in strikethrough and new text is double underlined.

#### **Condition 31G. Assistance and advice information**

...

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.

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.

# **Appendix 2 - Updated Contact Ease Guidance**

## **Contact Ease guidance document**

- A2.1 The Statutory Consultation in November 2024 included an update to the Contact Ease guidance document which sets out our expected consumer outcomes for relevant licence conditions.
- A2.2 Under suppler Standard Licence Condition (SLC) 31G.3E, suppliers must have regard to this guidance when complying with the relevant licence conditions.
- A2.3 Below we have set out the finalised changes to the Contact Ease guidance. This new section on 24/7 metering support accompanies SLC 31G.3A(c) which we have now decided to activate from 1 August 2025.
- A2.4 This updated Contact Ease guidance document will replace the previous version that was published alongside Ofgem's Consumer Standards decision in October 2023.
- A2.5 We have used the original draft of the guidance consulted on in July 2023 (available here: Consumer Standards Statutory Consultation) as the basis for marking up the changes to the 24/7 metering support guidance. Deletions are shown in strikethrough and new text is double underlined. Changes from Statutory Consultation version of the proposed guidance are highlighted in yellow.

# Tracked Update: Open 24/7 for customers that are experiencing an interruption in supply

#### **Obligation**

A2.6 <u>SLC 31G.3A [...] the [licensees'] enquiry service must (c) be available 24 hours</u>

<u>every day to receive enquiries from, and offer assistance, guidance, or advice to,</u>

<u>Domestic Customers who are experiencing an interruption in supply of electricity/gas caused by a meter fault.</u>

#### **Our expectations**

- A2.7—Network distribution companies have existing licence obligations to provide 24/7
  services for consumers without power and consumers with gas leaks. We consider
  that this is critical in keeping consumers safe.
- A2.8 For the prevention of consumer harm, we consider it important that suppliers should also offer provide a 24/7 enquiry service to receive reports and offer immediate information assistance, guidance or advice about issues where a to Domestic Customers is off-supply due to a meter fault. and it is the suppliers' role to help restore supply.

- A2.9 We consider that these issues are typically likely to be meter issues, such as faulty meters, including smart meters.
- A2.10 In addition to receiving reports and offering assistance, we note that through the Retail Energy Code modification 'REC0053 '24/7 Emergency Metering Service", the industry is considering what changes may be required to provide emergency out of hours metering services to support consumers that are off-supply due to supply meter issues. We are supportive of the industry considering ideas to improve consumer outcomes and encourage industry to progress this code modification at speed.
- A2.11 We do not expect suppliers to provide a 24/7 enquiry service for all customers (such as e.g. customers wanting to a submit a meter reading or raise a billing query). The minimum requirements for this licence condition covers only Domestic Customers who are off-supply due to a meter fault.
- A2.12 <u>The outcomes that we would expect suppliers' 'assistance, guidance or advice'</u>

  enquiry service to deliver for Domestic Customers include:
  - i. The customer is provided with information that enables them to

    understand understands which organisation to contact when they are

    off-supply and how to do so. and that the relevant contact

    information is clear and easy to find.
  - ii. The supplier is available 24/7 to receive enquiries from Domestic

    Customers off-supply due to meter faults, to triage what might be
    causing the interruption in supply and determine if it is urgent. We
    would expect the supplier to offer assistance, guidance or advice to
    resolve the issue at the time of the enquiry where this is possible to
    do so remotely through the enquiry service, or at the earliest
    opportunity.
  - iii. The customer's supply is restored as soon as possible in line with existing obligations, and the customer is advised of the supplier's process to investigate and fix any meter fault, including an estimated timeline for the issue to be investigated or resolved if it is in the supplier's control.
  - iv. The supplier to consider whether a customer requires further urgent assistance as a result of being off-supply due to a meter fault in line with existing licence obligations, especially if that customer is was already in a vulnerable situation prior to being off-supply circumstance.

- A2.13 We consider that our proposed licence drafting does not preclude suppliers from making commercial decisions on how to implement the provision of this service.
- A2.14 When providing, or procuring the provision of, the 24/7 enquiry service for

  Domestic Customers off-supply due to meter faults, suppliers must also have regard to the guidance for other relevant licence conditions.
- A2.15 In particular, we would expect the contact method(s) used to provide the 24/7 enquiry service for customers off-supply due to meter faults can meet the needs of its domestic customers, including those of customers in vulnerable situations, as set out in paragraphs 1.26 1.27 of this guidance.<sup>2</sup>
- A2.16 For clarity, we would not expect all chosen contact methods or services to be available 24/7 and recognise that different contact methods may have different opening times, as set out in paragraph 1.32 of this guidance document.
- A2.17 <u>We do expect suppliers to be able to demonstrate how the 24/7 enquiry service</u>

  provision is able to prioritise enquiries from domestic customers in vulnerable

  circumstances or their representatives (in line with guidance for SLC 31G.3B) and

  be free to access for domestic customers that have, or will have, difficulty paying their energy bills (in line with guidance for SLC 31G.3C).
- A2.18—We intend to work with network companies and suppliers to help facilitate the delivery of good consumer outcomes.
- A2.19 We do not expect consumers to be able to determine whether their loss of supply is due to network issues or supplier issues, and this should not be a pre-requisite for a Domestic Customer to contact their supplier's 24/7 enquiry service. We will therefore work with network companies and suppliers to ensure that it is clear who customers should contact in emergency situations.
- A2.20 As is currently achieved for services during regular opening hours, wWe would expect consider it important that industry's suppliers' consumer messaging regarding the 24/7 metering support service provides clarity does not create confusion for consumers in who to contact in which situations, and that no unnecessary delays are caused are avoided as best as possible for consumers reporting potential emergencies to the network operator, especially for potential gas emergencies.

<sup>&</sup>lt;sup>2</sup> For clarity, this references the specified paragraphs in the existing guidance. The full updated Contact Ease guidance document has been published alongside this decision.

## **Guidance without tracked changes**

#### **Obligation**

A2.21 SLC 31G.3A [...] the [licensees'] enquiry service must (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/gas caused by a meter fault.

#### **Our expectations**

- A2.22 For the prevention of consumer harm, we consider it important that suppliers provide a 24/7 enquiry service to receive reports and offer immediate assistance, guidance or advice to Domestic Customer off-supply due to a meter fault.
- A2.23 We do not expect suppliers to provide a 24/7 enquiry service for all customers (such as customers wanting to a submit a meter reading or raise a billing query). The minimum requirements for this licence condition covers only Domestic Customers who are off-supply due to a meter fault.
- A2.24 The outcomes that we would expect suppliers' 'assistance, guidance or advice' to deliver for Domestic Customers include:
  - The customer is provided with information that enables them to understand which organisation to contact when they are off-supply and how to do so.
  - ii. The supplier is available 24/7 to receive enquiries from Domestic Customers off-supply due to meter faults, to triage what might be causing the interruption in supply and determine if it is urgent. We would expect the supplier to offer assistance, guidance or advice to resolve the issue at the time of the enquiry where this is possible to do so remotely through the enquiry service, or at the earliest opportunity.
  - iii. The customer's supply is restored as soon as possible in line with existing obligations, and the customer is advised of the supplier's process to investigate and fix any meter fault, including an estimated timeline for the issue to be investigated or resolved.
  - iv. The supplier to consider whether a customer requires further urgent assistance as a result of being off-supply due to a meter fault in line with existing licence obligations, especially if that customer was already in a vulnerable situation prior to being off-supply
- A2.25 We consider that our proposed licence drafting does not preclude suppliers from making commercial decisions on how to implement the provision of this service.

- A2.26 When providing, or procuring the provision of, the 24/7 enquiry service for Domestic Customers off-supply due to meter faults, suppliers must also have regard to the guidance for other relevant licence conditions.
- A2.27 For clarity, we would not expect all chosen contact methods or services to be available 24/7 and recognise that different contact methods may have different opening times, as set out in paragraph 1.32 of this guidance document.
- A2.28 We do not expect consumers to be able to determine whether their loss of supply is due to network issues or supplier issues, and this should not be a pre-requisite for a Domestic Customer to contact their supplier's 24/7 enquiry service.
- A2.29 We would expect that suppliers' consumer messaging regarding the 24/7 metering support service provides clarity for consumers in who to contact in which situations, and that unnecessary delays are avoided as best as possible for consumers reporting potential emergencies to the network operator, especially for potential gas emergencies.