Ofgem Consultation: Supply Licence Simplification

Email to: FutureConsumers@ofgem.gov.uk

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Our Response

We welcome the opportunity to comment on this consultation which seeks views on how best to make the supply licence shorter, clearer, and easier to navigate. We support objectives to streamline licence documents, improve formatting and layout, remove outdated rules and improve how definitions are set out within the licence.

We agree that this approach can help support ongoing work to move towards and outcomes-based approach to regulation. While simplification of licence conditions and outcomes-based regulation are clearly linked, we would encourage Ofgem to progress supply licence simplification at an independent pace, in order to make the documents as accessible and clear as possible at the earliest opportunity.

While we appreciate the consultation document recognises there may be further improvements to make in future, we would make the following suggestions to enhance the approach already outlined:

1. Thematic Grouping

Currently, licence conditions – fundamentally relating to the same core issue – can be found across many different sections of the existing supply license.

Where it is possible to do so, it would be beneficial to group licence conditions thematically. Alternatively, it would assist navigation by providing cross-referencing to allow users to find relevant conditions with ease.

2. Accessible Archiving

While we agree that removing obsolete or irrelevant conditions from the licence documents will keep it current, there are occasions where Energy Ombudsman deals with cases that span long time periods and it is necessary for us to understand what supplier obligations were applicable throughout that time.

It would be beneficial if, in removing these, they could be transferred to an accessible archive document, where historical obligations could be reviewed when required, without interfering with the current licence.

3. Explanatory Notes

Some elements of the supply license are written in quasi-legalistic language. While this is often necessary, it would be useful to provide 'explanatory' notes in some sections, to provide a summary of meaning and help make the document more accessible to a wider range of readers.

Such an approach could prove valuable in supporting moves to outcomes-based regulation; particularly where a broader range of stakeholders (including in the advice and advocacy sector) may wish to consult license conditions to better understand consumer protections and requirements on suppliers.

In addition, it would be helpful if, in producing guidance documents, Ofgem could provide html links back to relevant licence condition. This will make guidance documents clearer, more accessible and drive greater consistency across suppliers.

For more information on this response, please contact:

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Our response is not confidential.