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Ofgem
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ETCC / 12-12-03

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Euan C. Norris
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Dear Nigel,

Erroneous Transfer Customer Charter (ETCC) – Review Document October 2003

ScottishPower Energy Retail Ltd welcomes the opportunity to comment upon the issues raised within the above consultation document. ScottishPower is fully committed to the operation and on-going development of the ETCC to ensure that customers affected by this issue receive an appropriate level of service that provides a satisfactory conclusion.

In addition, we recognise that it is not unreasonable for customers to expect compensation where failures have occurred. This was evidenced when we agreed to the voluntary compensation scheme along with other suppliers. It is however, the opinion of ScottishPower that any additional ET compensation should be an area that the Customer Transfer Programme (CTP) should consider. The current procedure only requests that the supplier who initiated the ET process should pay compensation to the customer if the customer fails to receive a letter of conformation within 20 days. This however does not always result in the supplier who was at fault for causing the ET paying any compensation due. It is therefore for this reason, our view that the CTP should, in conjunction with the ETWG, look to incorporate a mechanism of determining responsibility and therefore levy compensation responsibility to the correct party.

Supplier Performance

ET Root Causes

As with the performance data published in 2002 the main root cause of an ET remains suppliers incorrectly identifying the appropriate MPAN or MPRN. Due to a lack of available industry data, suppliers, particularly in the electricity market, are unable to confirm supply point (MPAN) information. For this reason ScottishPower would like to see more companies developing Internet services that would aid in MPAN validation. It is further our suggestion that such development should also be rolled out to the various Independent Gas Transporters that operate within the industry.

Data Request A: Supplier initiated ET's on 2nd and 3rd June 2003

Based on the information shown in the review, it is a concern that suppliers are still falling short of the standard timescales for writing to customers advising them on what action is being taken in respect of an ET. We acknowledge that this number may have been affected by the problems experienced by the particular suppliers noted, however, it is important to realise that the success of the charter is reliant upon the performance of all of the participants operating in the agreed manner and therefore suppliers operating outwith these arrangements should not be tolerated.

Data Request B: Transferring the customer back to their previous supplier

The experience of ScottishPower in this area is that we have been able to re-register customers in a timely fashion in line with the charter. There should be an awareness however that our role in this part of the process could be hindered by the relevant supplier not receiving certain industry data flows that currently exist in the electricity market. We agree with Ofgem that the industry should work towards resolving any issues that have the potential for preventing the return of a customer to their chosen supplier.

energywatch complaints

The drop in energywatch complaints would support the view that the charter is working for both customers and suppliers and is having a positive effect in relation to competition of supply. However, we acknowledge that there is still room for improvement and are aware of instances where consumers are being advised, not ‘fobbed off’, as suggested by energywatch, to contact the gaining supplier.

We are also in agreement that customers should not be re-registered as a ‘new’ customer and that suppliers should follow the guidance provided in the charter.

Success of the Charter

The evidence presented in the review would support the fact that the introduction of the ETCC has been a success with minor issues that would be expected with a new arrangement. We would however direct you to our response to the 2002 review which suggested key issues that would improve the current ETCC.

Have suppliers adopted the ETCC?

Although all suppliers have confirmed that they have adopted the ETCC, it is clear from the review that there are still some suppliers who are not adhering fully to the guidelines and timescales set out within it. We support the fact that the ETCC is now governed under the MRA, for electricity and agree that governance of the ETCC, for gas should be picked up under SPAA.

Have suppliers performed to the ETCC standards?

The success of the charter requires both suppliers to perform their respective roles in the process within the stipulated guidelines. A failure by either party results in the customer suffering and therefore reflects badly on energy supply competition itself. For this reason Ofgem should ensure that all suppliers, as well as adopting the ETCC, strictly follow the guidelines and processes set out for it to be considered as fully fit for the purpose that it is intended. As mentioned earlier in this response, consideration should be given to the ETCC being reviewed as part of the Customer Transfer Programme where a standardised approach for dealing with customers who have been erroneously transferred could be established.

Next Steps

Ofgem notes that suppliers should consider mandating the gas ETCC supporting requirements under the forthcoming SPAA governance arrangements. We would comment that governance of items such as the ETCC is the very reason that SPAA has been developed and we would therefore like to see Ofgem give direction on when SPAA will be introduced and what market participants and segments will be covered.

Should you wish to discuss any of the issues raised in this letter or require any additional information, please contact me direct at the telephone number shown above. Alternatively you can email me at ewan.norris@scottishpower.com.

Yours sincerely,

Euan Norris
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