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Dear Dave

Re: A strategy to define and prevent the disconnection of vulnerable customers

Thank you for giving us the opportunity to comment on the recent strategy paper published jointly by Ofgem and ERA, setting out a proposed industry position on issues relating to vulnerable customers. British Gas is supportive of the approach taken; we have been a key contributor to the development of this strategy and welcome the development of a consistent approach across the industry, which should help to avoid the disconnection of vulnerable customers.

Dealing with Vulnerable customers

We recognise that energy is an essential service and British Gas has carried out a significant amount of work internally to address issues surrounding the identification and subsequent treatment of vulnerable customers. We are still in the final stages of implementing our revised policy approach. In general terms, these changes go beyond those set out in the ERA paper.

In seeking alternatives to disconnection, we are supportive of the continued use of prepayment meters where appropriate and also of the use of the Fuel Direct scheme. A critical element to the successful implementation of the policy is the extension of the current Fuel Direct scheme to cover a broader range of benefits, and we would welcome the support of Ofgem and the ERA in seeking to persuade the Department of Work and Pensions to address this as a priority.

We are equally supportive of the principal that where in doubt, suppliers should pass customer details on to appropriate social services departments for further support. We look forward to working with these departments and hope that our customers will receive adequate support from them.

Data

Appendix 2 highlights the difficulties that exist in framing a workable definition of a vulnerable customer. We believe that the definition used in this paper is broad enough to ensure that all types of vulnerable customer will be captured. However,

there will still be inherent difficulties for suppliers in identifying these customers; we therefore welcome the advice from the Information Commissioner, which states that suppliers can rely on the common sense opinion of frontline staff in their contact with customers to identify vulnerable or potentially vulnerable customers.

When collecting sensitive personal data from individuals, suppliers should try to obtain this with the full consent of the individual concerned. It should be recognised that energy suppliers are unable to verify any information provided about customer benefit status or health information, or to obtain this information from other sources if the customer is unwilling to provide it.

Where possible, customer agreement to disclose personal data should be sought; disclosure without consent should be a last resort. It would be helpful for the OIC to issue guidance on the parties to whom such data can be disclosed; for example should disclosure be limited to bodies with statutory responsibilities only?

No contact

It is important to remember that disconnections are more often carried out in circumstances where there has been no contact at all with the customer, despite (for British Gas) a 14-step disconnection process which, over an average 150 day period, includes no fewer than 2 attempted visits, plus a number of telephone calls and letters. In cases where we have not made contact with the customer, it will not normally be possible to identify whether or not a customer is potentially vulnerable. We are carrying out some additional analysis to better understand the reasons why customers do not contact us prior to a disconnection taking place.

It is our view that this paper is a welcome step within the energy industry to set minimum standards that companies should strive to achieve.

We will of course continue to participate in the development of the Ofgem / ERA vulnerability strategy and look forward to sharing more of our ideas and experience with you.

Yours sincerely,

Colleen O'Donnell
Regulatory Issues Manager