

Vulnerable Customers & Codes of Practice Workgroup

SLC35 and 36 Discussion Note

Contents:

- Review of SLC 35
- Review of SLC 36

SLC35 & 36 – proposed timeline for the workgroup

- Nov 14 work through the licence conditions, seek to identify what we are really trying to achieve
- Dec 12 [SLC 37, 37A, 38]
- Jan 16 what is the role of Codes of Practice?
- Feb review proposals; what should a future “SLC 35 & 36” [if any] look like?

SLC 35 Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty

	Purpose¹	Would suppliers do it anyway?	Does it work for customers?
1	Separate misfortune or inability to cope from “won’t pay” and only protect former	Yes – shouldn’t apply same principles to “won’t pays”	Yes - procedures are designed for intended customers
2a	Promote energy efficiency, so bills more affordable	Yes – if customer likely to be receptive supplier interest is aligned – promote EEC, increase affordability	No – too simple to support real need for targeted promotion of energy efficiency
2b	Fuel direct, where appropriate	Yes – another option for suppliers	Yes
2c	Spot default, so don’t delay resolution	Yes – delay increases costs	Yes
2d	Appropriate solution ‘ability to comply’ responds to ‘inability to cope’ and hardship	Maybe – pressure is always ‘to repay a little bit earlier’ but Unfair Terms & OFT Debt Collection Guidance have similar effect	Yes (hardship) Maybe (inability to cope)
2e	“Ascertain” repeats 2d?		
2e	Listen to other sources	Yes – why not?	No – doesn’t encourage suppliers to be proactive
2f	Stop offering credit (but continue to supply)	Yes – ERA members. What if didn’t want to offer PPM?	Yes
3	Only disconnect as last resort	Yes – stakeholder pressure	Yes
4	Take extra care with (some) vulnerable	Yes – ERA Debt & Disconnection Protocol (covers all vulnerable customers)	In part – doesn’t cover all vulnerable

¹ The procedure for agreeing the code (part Para 1, and Para 5) is outside the scope of this note – it also applies to the other codes and is not planned for discussion until January 16th

SLC 36 Code of Practice on the Use of Prepayment Meters

	Purpose²	Would suppliers do it anyway?	Does it work for customers?
1	Inform customers of process to switch from prepayment	Yes – have a policy No – promote it	Yes – consistent treatment No – no prompt
2	Not arbitrary when fit PPM	Yes – need a policy	Yes
2a	Inform customers making choice, where to charge PPM	Yes – good service on a call	Yes
2a	Help customers use their PPM	Yes	Yes
2b	Recognise hardship ‘ability to pay’	Maybe – pressure is always ‘to repay a little bit earlier’ but Unfair Terms & OFT Debt Collection Guidance have similar effect	Yes – for the majority, but can be simple, so maybe not all cases
2c i	Prompt action at end of debt repayment	Yes – meter technology better	Yes – though doesn’t guarantee 100%
2c ii	Accuracy of ‘pay as you go’	Yes – within cost-benefit limits of technology	No – doesn’t push for 100%
2d	Not arbitrary in refusing to remove PPM	Yes – need a policy	Yes – consistent treatment (?)

² The procedure for agreeing the code (part Para 1, and Para 3) is outside the scope of this note – it also applies to the other codes and is not planned for discussion until January 16th