

A background image showing a close-up of electrical components, including a white plastic outlet with a yellow plug and a metal terminal block with wires, all in a blue-tinted, slightly blurred view.

Vulnerable Customer and Codes Consultation

Presentation to workgroup - 20 February 2006

Purpose of consultation

- Consult with smaller consumer bodies representing particular vulnerable groups who have been unable to engage with the workgroups but clearly have a strong interest in this area
- Consult with smaller suppliers
- Help answer fundamental questions as to the structure of the regime
- The document includes initial views – it does not prevent but invites further discussion
- Will feed into final report to the Steering group

Structure of the document

- The chapters follow the order of the monthly meetings:
 - Ch 2 – debt & disconnection (November)
 - Ch 3 – PSR, blind & deaf services (December)
 - Ch 4 – Structure of regime & Ch 5 – Other SLCs (January)
- Incorporated within the text are the issues raised in our discussion documents & the meetings - together with our initial views.
- The key questions are at the start of each chapter, which are replicated in Appendix 1.

Structure of the regime – Chapter 4 & Appendix 4

- From workgroup support that certain requirements should remain as core licence conditions in some form (*note E.on's Jan paper and EDFE's paper*):
 - limitations / alternatives to disconnection
 - taking account ability to pay
 - maintenance of a priority service register
- Other requirements covering special services & info for vulnerable customers there are a number of options (*i.e. these are the most contentious!!!*)
- Remaining requirements subject to the options could be removed (*e.g. current code approval mechanism*)

Options for structure

- Option 1 – Licence based obligations
- Option 2 – A mandatory code of practice (*Ofgem designated code or equivalent*)
- Option 3 – Principles based licence obligations supported by more detailed guidance (e.g. *SLC “supplier shall provide appropriate additional services” + detail on the sort of services in guidance*)
- Option 4 – Requirements through self-regulation

BUT are there other options that should be considered?

Disability Discrimination Act

Question overlap covering special services and blind & deaf

- E.on paper – SLC “commitment to meet requirements of DDA”
- EDFE paper – SLC “annual report on the licensee’s operation of the PSR insofar as the relevant requirements under the DDA”
- Disability Rights Comm guidance on application of DDA
- BUT concerns re: enforceability and clarity and also special services for non-disabled pensioners?

We note the different options but in particular ask for further views on this issue

Consumer information and publicity

- Our initial view is that suppliers should have discretion to be creative in marketing and in developing CSR initiatives.
- BUT consumer (or more likely consumer adviser) awareness of core services available is important.
- Subject to options publication of mandatory code or summary in plain and intelligible language (*EDFE's suggestion*) on suppliers website and backstop requirement of copies free of charge.

Other further views required

- Overall objective of PSR – *should this be extended to identify and help all vulnerable customers, whether additional needs are physical or financial ?*
- Passing of PSR information between suppliers when customers switch – *how practical is this and are there any data protection issues?*
- Gas safety checks – *further info required and Ofgem will need to discuss further with HSE*
- PPM information to customers – *advantages and disadvantages, timeliness of recalibration*

Other licence conditions

- SLC39 (Complaint handling) – DTI's initial view is that provision of industry Ombudsman scheme may be sufficient to meet the Directives
- SLC43 (Payment methods) – DTI considering “wide choice of payments” in Directives and potential for large/small supplier split, but see political difficulties in removing weekly fortnightly payments – consultation raises the question whether certain payment methods should be limited to vulnerable customers.

Next steps

- Publication of consultation around 28 February
- March meeting further discussion and review draft report to Steering Group
- End of April deadline on consultation
- Early May review final report to the Steering Group
- 24 May final reports to Steering Groups
- Early June broader consultation on the Supply Licence Review

A large, central version of the ofgem logo is positioned in the middle of the slide. It features the word "ofgem" in white lowercase letters on a red rounded rectangular background. The background of the slide is a light blue, semi-transparent image of an electrical plug and socket.

Promoting choice and value for all
gas and electricity customers