

Liz Chester  
Social Policy Manager  
Ofgem  
9 Millbank  
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SW1P 3GE

07 May 2010

Dear Liz

**Re: Proposed amendments to gas and electricity supply licence conditions in relation to the disconnection of vulnerable customers**

1. This is the British Gas response to Maxine Frerk's open letter dated 26 March, in relation to the above. It is not confidential and may be published on your website.
2. British Gas is a signatory to the ERA Code of Practice on 'Protecting Vulnerable Customers from Disconnection', also known as the 'ERA Safety Net'. As a signatory to this code, we believe that the existing robust obligations already placed on suppliers ensure that vulnerable customers are fully protected from being disconnected.
3. These protections have recently been enhanced to oblige suppliers to take all reasonable endeavours to reconnect any vulnerable customer who may have been disconnected in error within 24 hours. Furthermore, ERA members have agreed to be externally audited on compliance against these measures.
4. Given the high level of self regulation and governance in this area, we are therefore very pleased that Ofgem has acknowledged that the existence of the ERA Safety Net means that no substantial changes to the current supply licences are required.

**Proposed change to SLC 27.11 A**

5. British Gas fully supports the proposed change to this supply licence condition.
6. We believe the drafting proposal makes it clearer to current and future suppliers that *all reasonable steps* must be taken to ascertain whether a domestic customer falls within the scope of SLC 27.10 and SLC 27.11. Whilst not an exhaustive list, the steps identified within your letter are already fully complied with at British Gas, namely:
  - proactively seeking to ensure that all eligible customers are offered the opportunity to be registered on the Priority Services Register;
  - reviewing all the notes on the customer's accounts to ensure that no vulnerability is recorded;
  - making multiple attempts to contact the customer;
  - undertaking at least one personal visit to the property which is at risk of being disconnected and completing a visual check of the premises looking for signs of vulnerability (for example using the good practice vulnerability checklist compiled by Consumer Focus);
  - checking whether a property is temporarily or permanently unoccupied;
  - checking whether there has been a change of occupancy to make sure that customers are not disconnected in error; and
  - obtaining senior management authorisation prior to any disconnection being carried out.
7. As a result of stringently following all of the above steps, we did not disconnect any vulnerable customers in 2009. Indeed, we only disconnected 54 customers in the whole of 2009, none of whom demonstrated any sign of vulnerability.

8. In relation to the point Ofgem raises about customers on smart meters, we can confirm that we are committed to being entirely consistent in our approach to these customers, in that our smart meter customers will be afforded exactly the same protection as set out above. The ERA has given a commitment on behalf of all its members (by way of a separate response) to work closely with Ofgem, through the Smart Meter Implementation Programme to address any residual concerns which Ofgem may have in this regard.

**Consolidation of SLCs 27.10 and SLC 27.11/Reconnection before winter**

9. We agree with Ofgem that it is not necessary to consolidate these two licence conditions.
10. We also agree with Ofgem that the level of consumer protection set out within the Safety Net now exceeds Ofgem's original proposals around reconnection before winter. As signatories to the Safety Net have agreed to reconnect vulnerable customers within 24 hours of becoming aware of such a disconnection, this proposal is now redundant. However, we note Ofgem's point that not all suppliers are signatories to the code, and that further discussions with those suppliers will be required on a bilateral basis.

**Summary**

11. In summary, we agree with Ofgem's proposal to amend SLC 27.11 (A) as set out in Appendix 1 of the open letter. We agree that it is not necessary to consolidate SLCs 27.10 and 27.11 and finally, we believe that the ERA Safety Net more than adequately covers any requirement to reconnect vulnerable customers before winter.
12. I trust that you will find the above satisfactory. However, if you would like to discuss any element of this response in more detail, please feel free to give me a call.

Yours sincerely,



Nigel Howard  
Senior Regulatory Manager  
**British Gas**