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Dear Jonathan,

Consultation on the Supplier Guaranteed and Overall Standards of Performance

Thank you for the opportunity to respond to Ofgem's consultation on this issue. SSE is supportive of Ofgem's review of Guaranteed and Overall Standards of Performance (GOSP). We have provided our response to the specific questions posed by Ofgem in the attached Annex.

The GOSP were introduced prior to privatisation. Competition in the energy supply market has significantly evolved since this time and a review is now required to avoid any duplication with regulatory provisions that have been introduced since. SSE firmly believes that competitive pressure provides appropriate incentives to provide our customers with excellent service and commitments. Whilst some of the Guaranteed Standards may still remain beneficial for our domestic customers, we consider that it is important to establish and make it clear how these standards fit alongside subsequent and overlapping regulatory obligations and supplier commitments.

A significant level of regulatory change, together with the introduction of voluntary standards and industry best practice has been introduced subsequent to the GOSP and have superseded a number of these standards. In particular, the introduction of the licence conditions following RMR and the Complaints Handling Standards Regulations (CHSR). As you will be aware, the introduction of the overarching SLC 25C (and SLC 7B for non-domestic), Standards of Conduct (SoC), apply across the



entire energy supply market. This influences our decision making, as well as our interaction with our customers.

In addition to this, suppliers together with Ofgem, have developed transparent reporting approaches in relation to complaints made by customers under the Complaint Handling Standards Regulations (CHSR). As a result, customers will be able to openly compare our performance to that of other suppliers. As part of this, SSE and other suppliers have committed to publish quarterly complaints information in a prominent position on each of our respective websites.

Furthermore, SSE has also developed a number of Customer Service Guarantees that go over and above the requirements of the Guaranteed Standards. In addition to this, other voluntary initiatives have been instigated by Energy UK in order to establish a clear baseline for industry best practice.

For these reasons, we believe it is important for Ofgem to review the GOSP and ensure that the Standards are still relevant and fit for purpose.

Finally, SSE strongly believes that the GS should not apply to our non-domestic customers. We have fully signed on to the output of the Retail Market Review (RMR) and we have implemented the Standards of Conduct around "Treating Customers Fairly". SSE and has voluntarily extended the SOC beyond Micro business, to include all SME customers. Furthermore, as Ofgem will be aware, SSE has signed up to and committed to a number of further specific initiatives such as no backbilling for more than twelve months if we are at fault and no automatic rollovers of contracts. These initiatives go much further than what is contained in the GOSP.

I would welcome the opportunity to discuss any of the points within this response in more detail.

Kind regards,

Sam Torrance
Regulation Analyst

Annex

Question 1: Do you agree that a GS should be created, replacing the existing OS, to cover the time taken for suppliers to reconnect customers disconnected for unpaid charges once the debt has been repaid/an agreement reached? Would the core requirements of the standard need to change from those set out in the existing OS standard?

SSE agrees with Ofgem's suggested amendment and no changes to the core requirements are required. As this is a change from an OS to a GS, can Ofgem clarify whether there would be a requirement to apply a penalty payment on failure of the standard as in line with the other GS?

Question 2: Do you agree that the existing GS and OS should be merged to create a revised GS on acting quickly to repair or replace a faulty prepayment meter? Would the core requirements of the existing standard need to change, for example aligning the timeframes for visit?

SSE agrees that the existing GS and OS should be merged to create a revised GS on acting quickly to repair or replace a faulty gas prepayment meter (PPM) and for electricity PPMs where the customer is off supply and there is no alternative method to restore the supply. SSE believes that the timeframes for gas and electricity should be aligned for suppliers to visit within four hours on any day. Question 3: Do you agree that the GS to cover the making and keeping of appointments by suppliers should be retained? Would the core requirements of the existing standard in this area need to change and if so, how?

SSE agrees that this standard should be retained as it is still relevant and adds an extra level of protection for domestic consumers. However, we believe that this standard should allow for the following scenario, if there is a cancellation of an appointment and we are able to agree with the customer to turn up earlier than the original time of the appointment.

As we mentioned above, we do not believe that the GS should apply to non-domestic customers. For our non-domestic customers, the necessity of this is generally determined by customer feedback and otherwise addressed through other mechanisms of noting dissatisfaction. The first indication of a failed appointment would likely be the customer getting in touch to let us know the job did not go ahead as scheduled. As a sign of dissatisfaction it would then be addressed as part of complaint handling procedure with a view to finding a satisfactory resolution based on the customers individual circumstances. This offers a more particular response than an over-arching guaranteed standard.

A plausible scenario would be non-domestic customers being aggrieved further by the suggestions that a standard or nominal sum should be considered as a sincere attempt to resolve their complaint. As such, the GS might, in some cases, run counter to goal of finding amicable resolution.

Fundamentally, the use of GS was more vital at the time of their introduction but the market has developed in a way which leaves them lacking significance.

Question 4: Do you agree that the GS for faulty metering should be retained? Do any of the core requirements need to change, and if so, how?

SSE agrees that the GS for faulty metering should be retained. If we are made aware of a customer with a faulty meter then we would want to replace this as soon as possible and return the MAP or meter to the manufacturer. With regards to a relevant timeframe for suppliers dealing with meters operating outside the margins of error, we consider that a timeframe of seven working days would be acceptable.

Question 5: Do you agree that the OS for resiting meters can be removed? How will suppliers manage requests from customers wishing to have their meters resited in the absence of a performance standard in this area?

SSE agrees that the Overall Standard for re-siting meters should be removed. It may not be possible to move a meter alone and may require surveys. This might require that DNO, GDNs and/or other third parties to be involved. The CHSR would cover any dissatisfaction from the customer in the absence of this performance standard.

Question 6: Do you agree that the existing OS requirement for changing the basis of charging involving a change of meter should be removed? How will suppliers seek to manage requests from customers in the absence of a performance standard in this area?

SSE agrees that this OS should be removed. The smart meter roll-out will allow Suppliers to initiate a tariff structure change almost instantly and we will receive valid readings via the IHD. However, it should be noted that not all tariffs are supported in the smart world and they may be required to be used without smart functionality. Furthermore, any customer dissatisfaction in the absence of this standard would be covered by the CHSR.

Question 7: Do you agree that the GS applying solely to customers served by an ex - PES supplier operating in their ex - PES area should be removed?

Agree.

Question 8: We would welcome views along with supporting evidence on whether the revised GS should apply to micro business customers as well as domestic. We would also be interested in views regarding whether coverage should be limited to a subset of micro business customers and if so how any such subset might be defined, and whether only certain of the revised GS might apply to them.

As noted above, we do not support the continued use of GS for micro business customers, we have extended the principle of treating customers fairly to all small business customers. This will make better effort to give personalised resolutions as noted with the answer to question 3.

Since business customers usually negotiate the terms of their supply, the decision to renew is based on, not just the price, but the service they receive. This is a very responsive environment where any failures are likely to lead in them finding a new provider when the opportunity presents itself. These conditions have encouraged a number of initiatives which go beyond the GOSP such as no back-billing 12 months and the end of automatic rollovers.

Question 9: Are there any areas of the regulations where you think the obligations could be clarified? Please explain why.

SSE supports the recommendations from Ofgem to separate the requirements under the GOSP for Suppliers and Networks and also the recommendation to combine the Guaranteed Standards for both gas and electricity. This will make the standards clearer and more transparent.

Question 10: Do you agree that the definition of working hours should be aligned? If so, what should those working hours be?

SSE agrees that the definition of working hours should be aligned, uniformity between gas and electricity would be desirable so there is added clarity in the service we provide and when it can be achieved. It's easier for customers to have an expectation of what can be achieved with times that are predictable and the same for different services. SSE's view is that the working hours should be aligned to 8am to 8pm on each working day and 9am to 5pm on any other working day.

Question 11: Do you agree that payment levels should be aligned and increased to £29 for all standards? What method should be used to decide revised payment levels going forwards and how frequently should this review take place? Do you think that it would be appropriate to set differing payment levels for differing GS accounting for the likely impacts when each GS is breached?

SSE agrees that payments should increase to £29 in line with inflation. To ensure the GS are kept as simple and consistent as possible the payments should remain aligned. In addition to this, and keeping with earlier answers, a GS payment is not the preferable option for non-domestic customers given the range commitments they may have meaning any loss is not in proportionate of where a GS payment may be set.

Question 12: If the revised GS are applied to both domestic and micro - business customers, do you agree that the payment level should be the same?

As noted, we would propose that the GS is not used for non-domestic customers.

As SSE has signed on to the Retail Market Review and Standards of Conduct for all SME customers, it might be perceived unfair by some of our customers that GS would only apply to a small number of Micro Business customers.

Question 13: Do you agree that suppliers should be given flexibility in how to inform customers of their rights under the supplier GS? Are there other options for raising awareness more generally?

Yes SSE agrees. SSE is of the view that Ofgem should enable suppliers to include the information solely on their website, with the requirement to provide customers with a hard copy should they request one and notify them annually of their right to request this. That approach is more consistent with other requirements within the energy supply licence.

Currently under the GS, suppliers are required to dispatch a copy of the 'Notice of Rights' document on an annual basis to each of their customers. SSE estimates that the cost of doing so is approximately £1.5 million per annum (due to paper weight etc). This cost is ultimately passed through to customers.

It might be helpful if Ofgem published a fact sheet on how these standards fit in with other regulatory obligations or Supplier commitments such as the CHSR, SoC and the Customer Service Guarantee.

Question 14: Do you agree that suppliers' should be required to provide information about their performance, with flexibility in how to do so, via the Regulations? How might suppliers increase transparency about their performance?

SSE agrees that suppliers' should be required to provide information about their performance. However, with the existing requirement on Citizens Advice to publish GS performance on its website, it would make sense and avoid duplication if Suppliers were simply required to signpost customers to the appropriate Citizens Advice page.