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## **Review of the Priority Services Register**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes Ofgem's review of this area and supports the continued need to offer additional services to those who need them. We firmly believe maintaining a narrow and tightly defined set of services available to those who are disabled, chronically sick or of pensionable age is the most appropriate approach to ensure services are prioritised for those most in need. Offering such services to a broader group would potentially risk being able to effectively support the most vulnerable customers, in particular being able to offer a dedicated PSR team to such a potentially large population.

We are supportive of exploring additional ways to assist those customers defined as 'any customer with safety, access or communication needs' to ensure they are appropriately flagged and are able to access additional services that would be of real benefit to them either temporarily or ongoing. However, we believe that absorbing the broader, more transient definition of vulnerability by widening the existing Priority Services Register (PSR) would potentially be detrimental to suppliers identifying those most in need. We would therefore urge Ofgem to consider an alternative approach as the PSR is not a suitable vehicle for delivering the overall requirements of the Consumer Vulnerability Strategy.

EDF Energy is concerned that widening the scope of PSR to include those instances of transient vulnerability could present resourcing challenges to DNO's and GDN's when looking to effectively support those most in need during a major outage. Furthermore, the subjective nature of this more transient vulnerability represents a significant challenge to suppliers in ensuring the data accuracy is maintained, by nature information of such short term vulnerability can become out of date quite quickly.

EDF Energy agrees that additional work could be done to increase awareness of the PSR amongst consumers and support services. We are therefore supportive of the use of a consistent brand and feel that all supplier using the term 'PSR' in appropriate communications is the most appropriate way of delivering this consistency the PSR to

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deliver consistency, and offer greater accessibility to consumers. Notwithstanding this, we are keen that any branding does not prevent suppliers from being able to innovate in this area and allow suppliers to continue to differentiate themselves in this area.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Denise Willis on 0191 512 5442, or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink that reads "Paul Delamare".

**Paul Delamare**  
**Head of Downstream Policy and Regulation**

## Attachment

### Review of the Priority Services Register

#### EDF Energy's response to your questions

##### CHAPTER: Two

#### **Q1. Do you agree that energy companies should be required to offer non-financial services with the aim of equalising outcomes for customers?**

Yes, EDF Energy agrees that suppliers should be required to offer non-financial services with the aim of equalising outcomes for those customers identified as needing them. However, we also believe that the current process for notifying DNO's/GDN's regarding customers safety needs, in particular disabled and chronically sick is vitally important, especially for those that rely on energy for medical dependency.

EDF Energy believes the eligibility criteria of PSR is an effective way of capturing those most vulnerable customers and believe it should therefore continue to be narrow and tightly defined. This will ensure future changes do not detract from prioritising those customers most in need. We believe that a strong core group of those most vulnerable: disabled, chronically sick and pensionable age should continue to be included on the PSR.

We believe that not all customers who have a transient vulnerability under Ofgem's CVS definition will necessarily benefit from the specific PSR services. Therefore, it would be more appropriate for suppliers to maintain a separate vulnerability flag in their systems to capture broader vulnerability, in line with Ofgem's CVS.

#### **Q2. Do you agree that we should continue to prescribe a minimum set of services? Do you support the proposed list of services? What additional services, if any, do you think energy companies should be required to provide?**

Yes, we agree there should be a prescribed set of services for suppliers, and we support the proposed list of services.

We agree that safety, ability to access services and ability to communicate with energy companies should form the central part of the PSR. However, we also acknowledge that not everybody would necessarily want to receive every service, and therefore the available services should not be prescriptive for all PSR customers, but instead should be selectable by the customer.

**Q3. If applicable, what services do you currently provide and what are the current costs of providing services (please break down by service). What financial impact do you think widening eligibility in the way we have proposed will have? Please provide evidence to support your answer.**

EDF Energy currently provides a range of services to PSR customers, below is a list of those services including the cost to provide:

- Password Scheme - £0 – no bespoke cost
- Quarterly Reads - £14 per visit
- Meter moves (PPM) - £46 on average to move meter – costs vary greatly dependant upon the complexity of the move
- Providing bills or statements to an appointed representative - £0 – no bespoke cost
- Bills or statements in an appropriate format to blind and partially sighted customers - £1.74 per bill

EDF Energy is unable to assess the potential impact of widening eligibility based on the proposed definition. We are unable to quantify the number of customers that would fall in to the category of '*any customer with safety, access or communication needs*'.

Although we firmly believe a narrowly defined set of services is most appropriate for the PSR, we are mindful and supportive of ensuring that any customers who may be able to benefit from the services available are able to access these services. This should not be reliant on the customer being defined as vulnerable or registered as PSR. Additionally, it is key to acknowledge that although services may be available, not all services are appropriate or would be of benefit to all customers. Instead, we believe that ensuring customers are able to access services that are fair and appropriate to them is of fundamental importance and would align with our responsibilities under Standards of Conduct.

Whilst being committed to supporting our customers equitably and most effectively, we also have to consider the impact of proposed policies. We need to ensure they are managed to be affordable and do not negatively and disproportionately impact our customers costs, in particular the vulnerable.

**Q4. Do you agree that we should move away from requiring energy companies to provide services to disabled, chronically sick and pensionable age customers to an approach which requires energy companies to take reasonable steps to identify and provide appropriate services to any customer with safety, access or communication needs?**

EDF Energy believes that maintaining clear and tightly defined services dedicated to the disabled, chronically sick and of pensionable age is the most appropriate approach. The provision of services to those considered under the wider definition on vulnerable should be in addition. They could offer specific services for customers who may find it harder than the typical customer to either communicate access services or have an increased safety risk via a separate identifier than PSR.

**Q5. Do you agree that energy companies should be required to maintain a wider register of consumers that they have identified as being in a vulnerable situation?**

EDF Energy believes that energy companies have a responsibility to identify customers with specific needs and manage each case based on the individual requirements.

We believe that there is a fundamental difference between identifying a customer as PSR, and subsequently registering them, and flagging a customer who may be vulnerable at a point in time. Although different in mechanism both of these records act as a notification and allow for customers to be managed appropriately. The use of a 'point in time' indicator to reference vulnerability that does not require a customer to be PSR allows for transient vulnerability to be more easily managed and time reflective.

Currently, within EDF Energy we have circa 7% of customers identified on the PSR. This group of customers are provided with a dedicated free-phone number which routes to a dedicated group of advisers. We believe that customers with specific communication requirements or health concerns do benefit from having this dedicated service.

Extending this service to the broader definition of vulnerable is likely to dilute the effectiveness of such a bespoke offerings and could well lead to vulnerable customers finding it more difficult to access the services available.

We do not have any concerns with widening the identification of customers with specific needs, but where the specifics extend to financial vulnerability, we believe this should be embedded within the organisation and recorded outside of the PSR. As stated above we firmly believe that the PSR should remain tightly defined and look to capture the most vulnerable –additional flags within supplier systems can be used to capture and manage more transient and subjective cases of vulnerability, in line with our wider responsibilities to this group.

**CHAPTER: Three**

**Q6. Do you agree that suppliers, DNOs and GDNs should share information about customers' needs with: a) each other? b) other utilities?**

EDF Energy supports wider data sharing to enable better transition of customers through the industry and to limit information potentially being lost during customer transitions.

Data sharing is a positive step, building on the existing arrangements for sharing. However, we believe consistency is key to delivering such a change in a sustainable way and minimising the level of change required.

Understanding the feasibility of such sharing will provide insight into the changes required to both the gas and electricity industry data systems. The approach taken to any change

would need to be mindful of the industry change process and the current timetable for delivering any changes.

EDF Energy would support an approach whereby customer data is received by the DNO/GDN and subsequently disseminated to the required supplier during the course of a change of supply. In order to facilitate this smooth transfer of information, we believe that agreeing a common framework for information to be transferred is vital.

In order to support such 'factual' data sharing, EDF Energy again believes that a narrow set of services for specific PSR groups could be shared across suppliers through the DNO/GDN. The sharing of data associated with a broader, more subjective view of vulnerability is likely to be significantly more problematic to share and could lead to issues with differing interpretations.

EDF Energy broadly supports the sharing of data across other utilities but is keen to suggest a process of evolution in this area. In order to facilitate successful data sharing within the energy industry, there are numerous data and infrastructure issues to overcome. Any expansion of data sharing to other utilities will require significant investment and new system developments. As such, we urge that sharing of data within the industry is explored further as a priority, with wider data sharing considered at a later date.

**Q7. Should energy companies be required to share information about customers' needs with other fuel providers such as LPG, heating oil distributors. How could the transfer of this information work? What are the benefits and risks of sharing the information?**

EDF Energy is broadly supportive of sharing data on customers' needs across the industry to those that would benefit. However, we are uncertain as to how such sharing in this instance would be possible.

At present no infrastructure exists that would allow data to be transferred between these parties and we are unclear how the industry could sustainably develop such a system. Additionally, EDF Energy would be keen to understand how interacting with other fuel providers would be regulated, given that Ofgem does not regulate all parties. Without clear governance there is a definite risk that other parties could handle data inappropriately which in turn places a risk on the supplier processing the data.

Overall, EDF Energy would recommend that priority is placed on ensuring a robust framework is in place for sharing such data amongst suppliers, DNO and GDN before looking to progress this work with other parties.

**Q8. Do you agree that we should stipulate the minimum details that we expect energy companies to share, for example that names and phone numbers must be shared where they are available? Is there any other information that should be shared and for what purposes?**

EDF Energy is supportive of agreeing a minimum set of details that need to be shared to support the potential development of relevant data flows. It is our belief that data parties need to agree in advance the details that will be shared. Agreement on the exact details that will be shared should be undertaken through the appropriate industry code groups.

**Q9. Do you agree that energy companies should agree common minimum 'needs codes' to facilitate the sharing of information? Should we require energy companies to agree these codes? How might this work and what mechanisms are already in place to facilitate this? What role would Ofgem need to have in this process?**

As previously stated EDF Energy believes that maintaining a narrow set of services for specific PSR customers is the most sustainable approach. With this in mind we believe that taking the existing 'needs codes' and undertaking a review would be the most appropriate solution.

At present we believe the already constituted sub group of the ENA Safeguarding Customers Working Group is best placed to undertake such a review.

**Q10. Should information about a customers' needs be shared with their new supplier when they switch? What is the best way to facilitate the**

EDF Energy agrees with the principle of sharing PSR information during a change of supply. Notwithstanding this, we believe such a change will need to be carefully planned and managed in conjunction with other ongoing industry changes, in particular those around quicker switching.

Our preference for facilitating such a transfer would be to explore changes to the change of supply flows that are passed through a DNO/GDN. Focussing on the information transferred through the DNO/GDN to the new supplier will ensure consistency for all parties, and could potentially minimise the amount of change required.

Additionally, we believe difficulty would arise with transferring customer data if the data captured was based on a wider and more transient definition of vulnerable. Facilitating the transfer of such subjective customer information would add significant complexity to designing a suitable mechanism for data transfer.

**CHAPTER: Four**

**Q11. Do you agree that a single cross-industry brand will raise awareness of priority services?**

Based on a narrow set of defined PSR services, EDF Energy agrees that suppliers using different names to describe these common services could be counterproductive. Therefore, we are supportive of the industry using a common name and brand to describe

these services if such a change raises the profile of PSR. Additionally, EDF Energy believes that 'PSR' is the most appropriate term to use, this will ensure continuity to support services such as Citizens Advice Bureaux who are already familiar with this term.

However, EDF Energy considers it vital that suppliers retain the ability to innovate in this area, and promote other products and services that will support the PSR services. This allows suppliers to differentiate themselves and subsequently attract and retain customers, particularly vulnerable customers.

In order for common branding of PSR to be advantageous, a tightly defined set of PSR services that is common across suppliers is imperative. Branding of a broader set of services based on 'any customer with safety, access or communication needs' could lead to inconsistent offerings from suppliers where different interpretations and commercial decisions had been taken. Inconsistency in this area could certainly have an adverse impact on consumer understanding and trust of this new brand.

**Q12. Do you agree that a guidance document would help advice providers and raise awareness? Who should produce this document?**

Yes, EDF Energy would be supportive of such a document.

We believe that a document based on an agreed and narrow set of services provided by all suppliers would allow advice agencies and customers to access clear guidance on what is available as a minimum across the industry.

We would support the development of this guidance and believe that a document produced by Energy UK, with the support of suppliers would be the best approach. This could subsequently be co-branded with Ofgem and provide the most impact.

**Q13. What more can be done to raise awareness of priority services?**

Energy suppliers can do more to raise awareness of PSR through their WHD Industry Initiatives i.e. Energy Trust Funds.

We believe that Energy UK could have an important role to promote PSR more widely to vulnerable customers through the collective WHD initiatives such as Home Heat Helpline and Energy Best Deal, enabling customers to receive impartial information on PSR.

**CHAPTER: Five**

**Q14. Do you agree that supplier independent audits are the best way of monitoring companies' compliance with our proposed obligations? Do you have views on the approach the audit should take and what it should cover?**

No, EDF Energy does not believe that a process of supplier funded independent audits is appropriate, proportionate or beneficial.



Ofgem has a number of existing tools at its disposal to continue to monitor compliance and gain assurance in this area. Utilising existing interactions with suppliers, for example Social Obligations reporting and bilateral meetings, would be more appropriate, and more effective than a potentially burdensome external audit.

One potential area that industry could look to explore is to make changes to the existing Safety Net, which is annually audited. A tightly defined minimum set of PSR services, common across suppliers, could be audited by an external auditor as part of the Safety Net to ensure consistency in this area.

**EDF Energy**  
**September 2014**