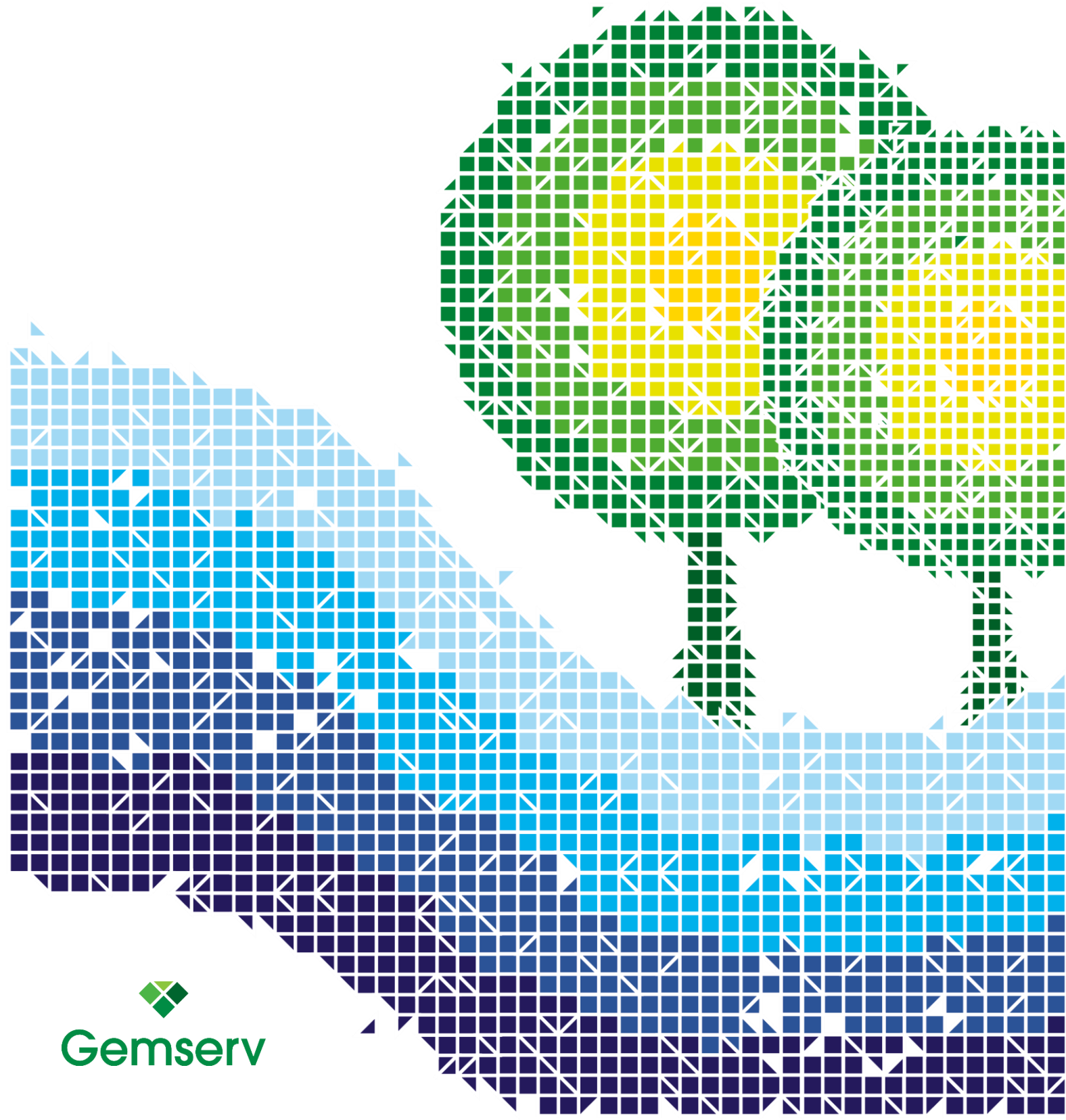


Priority Services Register

Gemserv Consultation Response

September 2014





Question 1: Do you agree that energy companies should be required to offer non-financial services with the aim of equalising outcomes for customers?

Gemserv agrees with the principle of equalising outcomes for customers. However, while supporting this position, we also note the considerable impact that this additional support will have on the budgets and resources of energy companies.

It is reasonable to consider these services being made available, and advertised, to all customers, irrespective of whether the customer is perceived to have a direct need for these services. It should be at the discretion of the customer, or an appropriately qualified body on behalf of the customer, to identify them or a member of their household as having a specific need. This point is expanded on in Question 4.

Question 2: 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?

Gemserv sees the benefit of a specified minimum level of service provision, as this provides clarity for both consumer and energy company, and sets a standard for the industry.

However, we would include two observations: Firstly, companies should be given the freedom to go above and beyond the minimum standards if this is in line with their corporate values and/or strategy. Companies may wish to focus on the provision of particular additional services for niche groups in the same way that other industries provide specific products to, for example, the elderly.

Secondly, there are cost implications, for the industry as a whole and energy companies individually, which need to be given due consideration.

Gemserv is supportive of the proposed list of services.

Question 4: 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?

Gemserv recognises the value of services being made available to all customers who deem they have safety, access or communication needs, regardless of whether they meet the disabled, pensionable age or chronically sick definitions. This change reflects the fact that, for example, not everyone who is over the age of 65 or is registered disabled will necessarily require priority services. Similarly, there may be other customers who have, for example, concerns over access to their property for reasons unrelated to having a recognised disability. Furthermore, it may not necessarily be the bill payer who directly benefits from these services, but another person in the household. Promoting these services to all ensures that everyone has an equal opportunity to receive the support they need.

However, it should be acknowledged that changing these definitions makes it much more difficult for energy companies to identify customers who could potentially benefit from these services. Under the current system, clear definitions are available for the different categories. For example, a date of birth will identify someone being of pensionable age. The new definitions, however, are much more



ambiguous and will place greater responsibility on energy companies to be able to assess consumers' particular needs and to then develop appropriate processes and procedures to support this approach.

In defining that energy companies should be responsible for proactively identifying customers who would benefit from these services, care needs to be taken in how this is interpreted. We would suggest that the identification of need should sit with the person or organisation best placed to make that assessment. This could be, for example, a disabled individual who can make their own judgement as to whether they need additional support; a professional body such as Age UK or the Citizens Advice Bureau who identifies need on behalf of an energy customer; or the energy company themselves in a reactive capacity in response to appropriate information (e.g. a visual impairment certificate) provided by the customer. In this case, certain information from the customers should trigger the energy company to ask further questions to determine whether the customer would benefit from priority services.

We do, however, think that energy companies should be fully responsible for the promotion and provision of these services to all customers, in a flexible way that all their customers can understand, as this forms part of their duty of care. We would therefore suggest that energy companies include information about their services in all literature and also include questions to identify need as part of the new customer application process.

Question 5: 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?

Our belief is that a clearly defined, needs based register would be a more appropriate solution. By simply widening the criteria, the message to vulnerable consumers risks becoming more diluted,

while energy companies will have to allocate greater resources to identify, communicate with and manage relevant consumers and their requirements.

Question 6: Do you agree that suppliers, DNOs and GDNs should share information about customers' needs with: a) each other? b) other utilities?

In principle, there are clear benefits to the sharing of information about customer needs both between energy companies and with other utilities and we would be supportive of this proposal.

However, it should be noted, when a consumer switches supplier, there is a risk that the industry's visibility of that consumer's particular needs will be lost; this risk will potentially increase with the move to faster switching. In general, and excluding concerns around data privacy, sharing consumer information between old and new suppliers, and with DNOs and GDNs, appreciably increases the chances for confusion, error, data loss and security breaches.

We believe that a centralised PSR, with appropriately controlled access for all suppliers, GDNs and DNOs, would overcome the potential risks outlined above. We would envisage a single, centrally managed database which would hold sufficient pertinent consumer data as that required by the supplier or network provider to undertake their different roles. The energy companies' accessibility could be designed to facilitate updating customer information as required. In addition, this database could be accessed by water and telecoms participants, where appropriate, with costs shared across the industries.

We see multiple benefits to this approach. First, a centralised PSR would enable customers to switch energy supplier without the risk of their vulnerability information being lost or compromised. By



centralising this information, the customer record would remain in one place, regardless of the supplier.

Second, a centralised PSR would provide a single point of contact for interested parties (suppliers, DNOs, regulator etc.), particularly in case of emergency. For example, should a DNO need to disconnect the electricity supply to a particular street, they would be able to contact the centralised PSR to check all the records for that road in one call, as opposed to having to contact numerous electricity suppliers individually. This would make the process quicker, simpler and less liable to error.

Third, a centralised PSR avoids duplication across suppliers. Currently, each supplier is responsible for maintaining their own register and the costs associated with that. Using a centralised system introduces efficiencies into the process, thereby reducing administrative costs to suppliers.

Fourthly, the introduction of the additional obligations on energy companies will have an appreciable impact on cost. Centralising the majority of these activities will help to minimise the financial impact on the industry and release funds to support the new measures.

Fifthly, a centralised PSR allows for the inclusion of greater privacy and security controls required to protect the data, as it is easier and less expensive to implement and audit common standards in one place.

Finally, a centralised PSR enables a standardised level of service across suppliers. The efficiencies that this brings are expanded upon further in answers to later questions.

Question 7: 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?

We would consider it appropriate for customer information to be shared with other fuel providers, assuming it was on the same principles as sharing with other gas and electricity companies i.e. in support of the Change of Supplier process or in case of identifying vulnerable households at risk during interruption of supply.

Our previously stated preference for a centralised PSR would facilitate this information sharing more effectively.

Question 8: 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?

Gemserv is supportive of a minimum customer detail specification that establishes an industry standard across all fuel types and each stage in the supply chain. Consistency in data has been mentioned frequently within the consultation and any activity that can reduce ambiguity and/or increase uniformity would be welcomed.

We would note the importance of effective standards being set, managed and modified by the industry across the relevant utilities of gas, electricity, water and telecoms. We would also add that it will be a significant task to unite and coordinate a pan-utility governance framework.

In addition to the details listed in the consultation, we believe it would be helpful to include reference to the types of energy supplied to the household e.g. gas, electricity, LPG as this would assist in assessing requirements during planned or emergency interruptions.



Question 9: 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?

We would support the adoption of a common set of codes agreed by all energy companies to better facilitate the sharing of customer information. It would also be logical for industry to lead on the development of a single, master list.

It cannot be understated the importance of creating a sound governance framework to ensure that the standards are properly designed and agreed, and then managed going forward, for example, change management where new circumstances come to light that need to be reflected in the codes. Central system protocols would then help ensure that validation does not allow corruption.

The pooling of all existing PSRs, as currently maintained separately by the energy companies, into a central service would provide an obvious mechanism for both developing and 'owning' a master PSR.

Ofgem's role would be that of oversight and escalation.

Question 10: Should information about a customers' needs be shared with their new supplier when they switch? What is the best way to facilitate the sharing of this information?

As referenced within the consultation, there is concern with breaching data privacy when one energy company shares customer information with another. Also, the reason for terminating a service is not restricted to simply changing supplier, as the customer may simply be moving property. In this

case, the circumstances of the customer/property have changed and their inclusion on the PSR may no longer be appropriate.

We believe that a centralised PSR would overcome the above issues by removing the need for the existing supplier to share information directly with a new supplier. A supplier, when acquiring a new customer, can access the central PSR to check if the customer is listed and then confirm that their information on record is accurate and current. The contact and relationship that suppliers have with consumers makes them a more obvious interface for regular communications (i.e. for non-emergency or maintenance issues) than the GDNs or DNOs.

When a customer is first listed on the central PSR, the incumbent supplier would have responsibility for communicating the process and obtaining the appropriate permissions for holding the data and allowing access by networks and future suppliers.

Question 11: Do you agree that a single cross-industry brand will raise awareness of priority services?

A single cross-industry brand would undoubtedly make it easier for the industry to present a united and consistent response to consumers requiring priority services as a result of their particular needs and circumstances. There are also potential savings as energy companies are able to allocate resources to a central brand rather than developing their own.



Question 12: Do you agree that a guidance document would help advice providers and raise awareness? Who should produce this document?

A guidance document would be helpful, assuming that this document was able to reference a common approach. Under current arrangements, the variations in eligibility criteria and service provision mean that a guidance document would need to be of sufficient length and detail as to provide reasonable value. By establishing an industry-backed common approach, a guidance document would be sharper in focus and more succinct in message. Again, a centralised PSR would be a natural host and author for such a document.

Whether a centralised PSR is established or not, an industry group needs to be set up to contribute to the design and development of this document and to plan for its deployment and adoption. This would be similar to the challenge for data quality, whereby a report is being produced by industry supported by code bodies.

Question 13: What more can be done to raise awareness of priority services?

Any awareness-raising initiatives have to be considered in the context of factors like the current loss of confidence in energy companies and the sheer volume of information that consumers are presented with as part of their daily lives.

The provision of a service that supports vulnerable consumers will need to be promoted with strong, simple messages, backed up with a consistent interpretation and approach by the energy companies. Any differences in style risk confusion, suspicion and/or inaction.

We would also endorse greater cooperation between relevant charities and special interest

groups to develop the right message, through the right communication channels.

Question 14: 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?

A centralised PSR, backed by robust, industry-led governance and supported by an independent auditing regime, would provide a suitable vehicle for monitoring delivery and compliance.

However, it should be noted that these additional auditing measures will add to the overall costs of the initiative and we believe that Ofgem is right to review this requirement on the basis of whether it is, and will remain, proportionate.

The key here is (a) having good standards; (b) adopting a centralised approach; (c) validating against standards which have been built-in; and (d) code procedures that ensure regular updates are made. The better these are, the less need there will be for an audit approach being too onerous. For example, with good governance, a risk based approach could be adopted lessening the burden and cost. If governance is poor, and we have a myriad of standards and systems, then auditing becomes more important and more burdensome.

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