

**Regulatory Affairs**

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By email to: [jonathan.blagrove@ofgem.gov.uk](mailto:jonathan.blagrove@ofgem.gov.uk)

Dear Jonathan

**British Gas response to Ofgem's statutory consultation on proposed modifications to the gas and electricity supply licences to reform the switching process for indebted prepayment meter customers – the Debt Assignment Protocol**

This is the British Gas response to Ofgem's statutory consultation on changes to the gas and electricity licences to reform the switching process for indebted prepayment meter customers, referred to as the Debt Assignment Protocol (DAP), which was published on 18 December 2014.

Our responses to the questions posed in the consultation are provided below:

**Question 1: Do you agree with our proposal to amend SLC 14.6 and increase the Debt Assignment Protocol (DAP) debt threshold to £500 to reflect the current voluntary practice?**

We agree with Ofgem's proposal to amend SLC 14.6 and increase the DAP debt threshold to £500. As you will be aware, we have for some time been operating DAP with the debt threshold set at £500 as part of a voluntary agreement. The proposed change will help to ensure that all suppliers operate to the same level and that indebted prepayment customers receive similar support and information about their ability to switch supplier.

**Question 2: Do you have any comments on the changes we are proposing to make to the Social Obligation reporting requirements?**

We have a number of comments to make about the proposed changes to the Social Obligation reporting requirements:

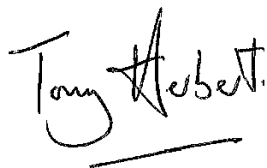
- 5.3 *"the number of customer accounts where a Complex Debt process was applied in this reporting period"* – The complex debt flag is used as an indicator to the incoming supplier that the debt is complex. It is then the decision of the incoming supplier whether to accept the transfer or not. In this context, it would be helpful if the term 'Complex Debt Process' could be clarified further.

- 5.4 *“For those customer accounts reported in 5.2, where debt was  $\leq$ £500, the number of customer accounts completing the switching process in the reporting period, split by the type of debt”* – British Gas can provide this data but it is important to note that there will always be a discrepancy between obligations set out in 5.2 and 5.4, given the time taken to complete the switch after the objection has been raised. In other words, reporting may span over 2 reporting periods.

More generally, since it appears likely that only certain suppliers are going to be following the Point Of Acquisition (POA) model, at least from the end of April 2015, the data we provide for 5.2 (volume of objections raised) could differ considerably from 5.4.

I trust that these comments are helpful. Please don't hesitate to contact me if you have any questions about them.

Yours sincerely

A handwritten signature in black ink that reads "Tony Herbert". The signature is written in a cursive style with a horizontal line underneath the name.

Tony Herbert  
Regulatory Manager  
British Gas