

Jonathan Blagrove
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13 February 2015

Dear Jonathan,

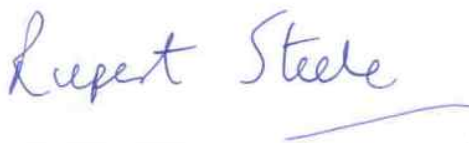
Statutory consultation on proposed modifications to the gas and electricity supply licences to reform the switching process for indebted prepayment meter customers – the Debt Assignment Protocol (DAP)

Thank you for the opportunity to respond to the above consultation. We support the proposed amendment to SLC 14.6, which would increase the DAP monetary debt threshold to £500, reflecting the voluntary practice of most of the supply market.

We are also generally comfortable with the proposed changes to the Social Obligations reporting guidance, but have set out some points for clarification in Annex 1 below. Having clear guidance on Ofgem's reporting requirements will help to ensure consistency of reporting across suppliers.

Please feel free to contact Gareth Williams (0141 568 3930) in the first instance if you wish to discuss anything in this response.

Yours sincerely,



Rupert Steele
Director of Regulation

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 (DAP) –SCOTTISHPOWER RESPONSE

The table below sets out our comments in relation to some of the data items as set out in Ofgem’s Appendix Two - “Proposed changes to Social Obligations reporting guidance”.

Data Item	Proposed Wording	Comments
5.1	Asks whether supplier followed the point of acquisition (POA) model at the start of this reporting period (Yes/No).	It is our assumption that this metric will be answered from a gaining supplier perspective and think that it would be beneficial for this to be specifically confirmed in Ofgem’s “Guidance on monitoring suppliers’ performance in relation to domestic customers” (the guidance), particularly as subsequent metrics differ.
5.3	For those customer accounts reported in 5.2, where debt was ≤£500, the number of customer accounts where a Complex Debt process was applied in this reporting period. These figures should be provided by the losing supplier, broken down into the following categories: Complex Debt, Not Complex Debt, and Total. For a definition of Complex Debt see MRA ‘Agreed Procedure for the Assignment of Debt in Relation to Prepayment Meters. MAP 13’ at http://www.mrasco.com/mra-products/mra-agreed-procedures .	The best source of this data will be the G/E0307 flows sent with the Complex Debt indicator set to (T) and this is information that will be available to all suppliers using this process. Therefore to aid consistency across supplier reporting, we recommend that Ofgem specifically state this in the guidance.
5.4	For those customer accounts reported in 5.2, where debt was ≤£500, the number of customer accounts completing the switching process in the reporting period, split by the type of debt. These figures should be provided by the losing supplier broken down into the following categories: Complex Debt, Not Complex Debt, and Total.	We would welcome clarity on what is meant by “customer accounts completing the switching process in the reporting period”. We expect to report the total number of G/E0309 flows sent to the gaining supplier detailing the final debt to be transferred. From a losing supplier’s perspective this completes the switching process as far as the customer is involved and therefore is the best source of data for this metric, available to all suppliers. Again to aid consistency across supplier reporting it would be helpful for Ofgem to specifically state this within the guidance.