

Enforcement Conference 2014 Summary Note

Thank you for attending the Ofgem Enforcement Conference on 5th December 2014. We have collated the points and questions raised at the event, including from the roundtable discussions and feedback forms. We will take your feedback into consideration when thinking about our future ways of working and collaboration.

Views expressed from roundtable discussions

Guidance: striking the right balance between responsiveness, transparency and certainty:

- More guidance on the Standards of Conduct (SOCs) was requested once they have been more embedded. This would need to focus on the qualitative outcomes Ofgem expects under SOCs rather than explaining how to implement them.
- Stakeholders would like to see simple statements of principles; they feel that a lot of decoding is currently required to understand rules and regulations.
- Ofgem should publish lessons learned from past enforcement cases, preferably in a clearly signposted section of Ofgem's website alongside supply licence conditions, SOCs, guidance materials and Enforcement history.
- People stated that guidelines should accompany regulations. They also asked for guidance to be issued when Ofgem identifies areas of concern in the market or it is clear stakeholders are finding it difficult to interpret policy. They felt that open letters can give rise to regulatory uncertainty.
- People asked for a line of communication between Ofgem and stakeholders, perhaps via a broker.
- Stakeholders considered that guidance should i) set out policy intent, ii) illustrate the sort of behaviours Ofgem are looking for, including relevant case studies and iii) focus on outcomes, which should be central to principles-based regulation.

Making the most of the Enforcement Review moving forward:

- Stakeholders felt that the implementation of the process shouldn't be too rigid, and be prepared to evolve in the future when reviewed.
- People said that they were encouraged by the project on compliance and they saw a need for a more balanced approach with greater access to policy officials.
- Stakeholders said that more time should be allowed for information gathering and further dialogue in this stage. They acknowledged that draft IRs and kick-off meetings were a positive step.

2015 Enforcement Conference:

- There was a request for evidence that comments and feedback from the event had been developed into noticeable outcomes.
- People asked for a progress report on the SOC journey, including how they will be used in the future and the behaviour that Ofgem will be focusing on. They suggested perhaps a workshop on embedding them.
- There was a suggestion for presentations on Annual Enforcement Priorities and the Compliance project.
- A request was made for the focus to include networks and related investigations, rather than just suppliers.
- A further request was made for engagement with senior Ofgem policymakers.
- People would like to hear speakers from other sectors discussing their experiences of principles-based regulation.

Feedback Forms

Respondents were asked what the event could have done differently, including what topics or agenda items they would have liked to have seen covered or discussed. The points below are the most common responses that haven't been covered by the roundtable discussion views:

- Examine the relationship between enforcement and policy, including having senior Ofgem policymakers attending the conference.
- An insight into other sector regulators' enforcement regimes, possibly regarding principles-based regulation.
- Benefits and effectiveness of enforcement and penalty regimes.
- A level of further detail on the enforcement process, such as how and why it reached specific decisions.
- Further details on the compliance project.
- More lessons learned, incorporating examples of alternative action.
- More time given to the roundtable discussions.

This feedback will be used when determining the content for the 2015 Enforcement Conference.