

Thursday, 18 February 2016

Bhavika Mithani
Consumers and Competition
Ofgem
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Email: alisonrussell@utilita.co.uk

By email only

Dear Bhavika,

Re: Priority Services Register Review – Final Proposals

Thank you for the opportunity to comment on Ofgem's final proposals on the Priority Services Register (PSR) Review. We welcome the objective to achieve a more consistent approach and a greater take up of available services by those in need. We believe that this can best be achieved by good communication by suppliers and a responsiveness to customer enquiries. We have made some general observations first, and then addressed the specific questions raised in the consultation.

General observations

We do have some reservations about the proposed approach of placing responsibility on suppliers to identify the appropriate customers for PSR services. While we agree that PSR services need to be well communicated, that suppliers should respond appropriately where customers give indications of a need for PSR services, and that they should train staff to be alert and responsive to such indications, this is not the same thing. We believe that the proposed drafting of 'all reasonable steps' to identify customers is unduly onerous.

We would recommend an alternative approach whereby the steps under SLC26(1) are:

- a) To establish and maintain a PSR
- b) To take all reasonable steps to communicate the existence of the PSR, and how the services may be accessed to customers, and
- c) To take reasonable steps to identify such customers and add them to the register.

Customers do have mixed views around issues such as vulnerability and being added to registers, and we believe the above approach strikes a better balance.

In addition, we also have some concerns around the proposals for sharing data, in particular around obtaining and maintaining consent. The current proposals in this area require three sets of informed consent:

- a) Consent to record information
- b) Consent to share information with other companies, and
- c) Consent to share information in a two way process.

The proposals are not clear as to whether once such consent has been recorded, this may be deemed to be an enduring consent, or whether such consent must be maintained and if so at what frequency. This information can be extremely sensitive and customers may well have significant concerns about such data being shared and recorded, these concerns may also change over time. Customers may also resent repeated questioning by suppliers in this area, however sensitively managed. These aspects of customer concern must be balanced with the obligations placed upon suppliers.

Response to consultation questions

1. Do you agree with our final proposals for enhancing eligibility and customer identification and the associated proposed licence conditions?

Please see our comments above.

Utilita broadly agrees with the suggested enhancements to the eligibility criteria in particular retaining/making no changes to pensionable age.

While we are not unsupportive of including families with children under five in the eligibility criteria, we do note the difficulty of maintaining this data accurately. We believe that this should be managed on a reasonable endeavours basis.

We are not entirely clear from the text whether the core categories and obligations will be the same for all affected licensees. For clarity, we would consider that all licensees should be subject to the same core categories and obligations, this should mitigate to some extent the risk of customers repeatedly being asked the same questions.

As noted above, we have concerns with the drafting of SLC26(1). If the current drafting is retained, we believe it would be helpful for guidance to be provided on what 'all reasonable steps' may mean and how this element of drafting would be interpreted by Ofgem in terms of a more principles based approach.

It is important to note that as drafted, the proposals will have costs to suppliers, not just in terms of services provided but also in implementation costs. The proposals will require, for example, changes to scripts (for sales, change of tenancy and general customer services), updates to websites and documentation and updates to training. We therefore suggest that a minimum implementation lead time of six months would be appropriate, to provide for specification, development and testing.

2. Do you agree with our final proposals for amending the PSR services and the associated proposed licence conditions?

We have set out under general observations our main concerns with the licence drafting. We believe that it is also important to recognise that different suppliers may have greater or fewer resources

available to implement these changes and that this should be borne in mind in setting any implementation timescale.

It may also be the case that allowing suppliers where possible to synchronise the implementation and contact processes with regular or planned contacts with customers – for example, as part of the Annual Statement cycle, or smart meter rollout – would improve the efficiency of implementation.

3. Do you agree with our final proposals for recording and sharing information about customers in vulnerable situation and the associated proposed licence conditions?

We have set out under general observations our main concerns with the licence drafting. We believe that there are particular issues with the issue of informed consent and whether or not such consent, once given can be deemed to be enduring consent unless rescinded by the customer.

In addition, what approach should be applied if the customer's circumstances change and amendments or removals are required to the register, for example:

- a) Full informed consent should be sought as if a new entry
- b) Informed consent is only required for the change
- c) Deemed consent can be applied to share the updated record as well as the original.

We would welcome Ofgem's guidance on these points.

In terms of how the proposals would be implemented practically, if data is to be shared as proposed, we believe that the obligation to share data between parties should only become effective in the licence from the date at which automated file transfer protocols are available.

We note in paragraph 3.15 that a Privacy Impact Assessment is being undertaken by the working group. We welcome this activity and hope that the impact assessment will be widely disseminated. We believe this is sufficiently important that these proposals should not be finalised and a formal statutory consultation undertaken on licence drafting until this Privacy IA has been fully evaluated. We would welcome information on when this document is expected to be complete and the arrangements for circulation to all participants.

4. Do you agree with our final proposals for raising awareness of the priority services, including any specific suggestions for energy companies to improve awareness?

We agree that consistent use of the term 'Priority Services Register' by all participants will help improve customer awareness of the PSR. We also welcome the proposal that this should include third party advice providers using materials developed jointly with Ofgem for consistency.

While it is important to ensure materials are clear and accessible for those needing access to the PSR services, it is important to recognise that even within this customer grouping there will be a range of customer needs and circumstances.

We agree that networks should prepare and set out statements on their obligations under the PSR and that the same obligations should apply to all relevant network licensees.

We agree that companies should take all reasonable steps to inform their domestic customers of the statement and where to find it, but this should be integrated with company processes and cyclical correspondence such as the Annual Statement for customer convenience. We also consider that

website communication should be the standard option, with a provision to provide an accessible copy on request where the customer needs this.

5. Do you agree with our final proposals for the approach to monitoring energy company performance in this area?

We agree that Ofgem should monitor performance in this area. However, in order to make such information gathering and submission effective, it will be important to consider requirements up front and to define carefully the required reporting. Suppliers will need to understand the parameters and approach to assessment, especially where this may be panel based. We would support a more principles based approach to assessing quality, but it will be important to recognise this is a new approach and allow suppliers time to build confidence in such reporting approaches on a case by case basis.

Where new elements are to be added to SOR reporting, a lead time is required for system and reporting development. As above, we propose a minimum implementation lead time of six months. In defining such elements, it is necessary to consider how data can be recorded and captured and ensuring that this process can be integrated in practical terms to suppliers' processes. For example, when the customer service agent engages with the customer, the most important thing is to ensure the customer's issue is resolved as quickly and simply as possible for the customer. This may preclude elaborate data capture during calls with customers, particularly where calls may cover multiple topics in addition to the presenting issue.

Where this is the case, it may be that a combination of simple data capture for basic quantitative information, and sampling surveys by Ofgem for more qualitative information may provide a better customer experience.

We note that a further consultation into changes to the SOR reporting is planned for summer 2016. It is important to recognise that there are a number of major projects being undertaken in the industry at present and that suppliers have limited resources. It will be important in this consultation to allow suppliers time to assess necessary changes to systems prior to submitting their responses.

Suppliers will need clarity in advance and a lead time to implement system changes, which cannot be specified in advance of Licence changes being made. It will also need to be recognised that with Nexus Go Live and DCC Go Live so close together, IT resources across the industry will be stretched, especially for smaller participants. This tension will persist post Go Live in both cases as new systems bed in and consequential tweaks may be required.

We hope that these comments have been helpful. If you would like to discuss any points raised in more detail, we would be happy to help.

Yours sincerely,

By email

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Head of Regulatory Affairs