

Enforcement & Compliance Conference 2016

ofgem

Welcome

Martin Crouch

Senior Partner, Improving Regulation

09:30 Registration and Breakfast Reception

10:00 Welcome - Martin Crouch

10:15 Learning Points - James Waugh

10:45 Enforcement Review - Martin Campbell

11:10 Break

11:30 EDP speakers – Settlement Committee - Amelia Fletcher & Elizabeth France

12:00 Compliance - Kiera Schoenemann & Stephen Bass

12:30 Breakout Discussion: Consumer Redress - Kieran Coleman

13:00 Lunch

13:45 Citizens Advice – Vulnerable Consumers - Gillian Cooper

14:10 Future retail regulation: Breakout Discussion - Laila Benfaida & Bruno Sheldon

15:05 Closing remarks - James Waugh

15:15 End of event

Enforcement & Compliance in 2015-16

- Closed 13 investigations
- 8 investigations found breaches, total penalty/redress of £53m
- Average length of case was less than one year – improved efficiency
- Two record penalties for suppliers
- Numerous compliance issues resolved across the organisation

Annual Enforcement (and Compliance) Priorities

1. Taking action where industry behaviour fails to meet obligations for consumers in vulnerable circumstances.
2. Taking action where there are serious shortcomings in a company's attitude and culture towards compliance.
3. Taking action where companies are failing to treat their domestic and microbusiness customers fairly through the Standards of Conduct.

Learning points

James Waugh

Associate Partner, Enforcement & Compliance

1. The Standards of Conduct
2. Customer service & complaints handling
3. Putting things right when things go wrong
4. Wholesale market issues
5. Competition enforcement
6. Alternative action
7. Final remarks
8. Questions

These are intended as general 'learning points' from our enforcement & compliance work and do not apply to any specific investigation or company.

Investigation	Outcome	Case details
BES	Penalty	Contract terms, complaints handling and Standards of Conduct
Capacity Market Investigations (5)	2 penalties and 3 closed	Capacity Market rules
Chapter I CA98 investigation: Paid online search advertising	Transferred to the CMA	
Chapter I CA98 investigation: Commission rates	Closed	Closed on administrative priority grounds
Economy Energy	Penalty	Contract terms, marketing of gas and electricity to domestic customers
E.ON	Penalty	Non-domestic advanced meter installation obligations
npower	Penalty	Customer service, billing, complaint handling and Standards of Conduct
ScottishPower	Penalty	Customer service, billing, complaint handling and Standards of Conduct
Utilita	Penalty	Transfer blocking

*Details of all open Enforcement investigations cannot be shared publically

Investigation	Case details
British Gas	Customer service, billing, complaint handling and Standards of Conduct
British Gas	Non-domestic advanced meter installation obligations
Extra Energy	Customer service, billing and Standards of Conduct
npower	Non-domestic advanced meter installation obligations
SSE	Chapter II CA98 investigation into electricity connections market
SSE	Pre-payment meters

(1) The Standards of Conduct

- Enforcement around the SOC complements our shift to a more principles-based approach (focus on positive consumer outcomes)
- Fair treatment of customers should be embedded throughout an organisation, and driven from the top down
- Communication to customers – clear and not misleading (focus on positive consumer outcomes)
- Infrastructure change (risk assessment, contingency planning, monitoring, appropriate testing and implementation)
- Important to get the basics right – billing and customer service (see next slide also)

(2) Customer service & complaints handling

- Effective competition is about service as well as price
- Suppliers should:
 - be easily contactable
 - identify and record complaints consistently
 - resolve complaints in a timely and efficient manner
 - endeavour to gain a customer's specific permission to close a complaint

(3) Putting things right when things go wrong

- If things go wrong, act promptly to put things right (turn performance around, compensate customers who have been affected)
- Settlement terms (targets, audits, senior assurances, customer-focused remedies)

- Investigations into whether false or misleading information had been submitted in the 2015 Capacity Market auction
 - Integrity of the auction process depends on accurate & complete information
 - More generally, submission of information is a cornerstone of the regulatory contract
- Suspected market manipulation investigation
- REMIT monitoring and casework

- Actively looking at all areas/markets in the energy sector
- Close working with the CMA under the concurrency regime
- Used our powers to make unannounced inspections
- Intention to accept commitments in investigation into competition in connections
- Closed one investigation on administrative grounds
- Transferred an investigation into price comparison websites to the CMA

- Number of issues resolved without opening an investigation
- Will always assess against our enforcement prioritisation criteria

- We are always trying to improve how we undertake investigations
- Early engagement when issues are identified with a clear plan of action ...
- Which continues into any investigation (if this is what happens)

Questions

Assessment of the Enforcement Review – lessons learned

Martin Campbell

Senior Manager, Enforcement & Compliance

- Purpose of Enforcement Review & recent assessment
- Main findings
- Changes we are going to make as a result

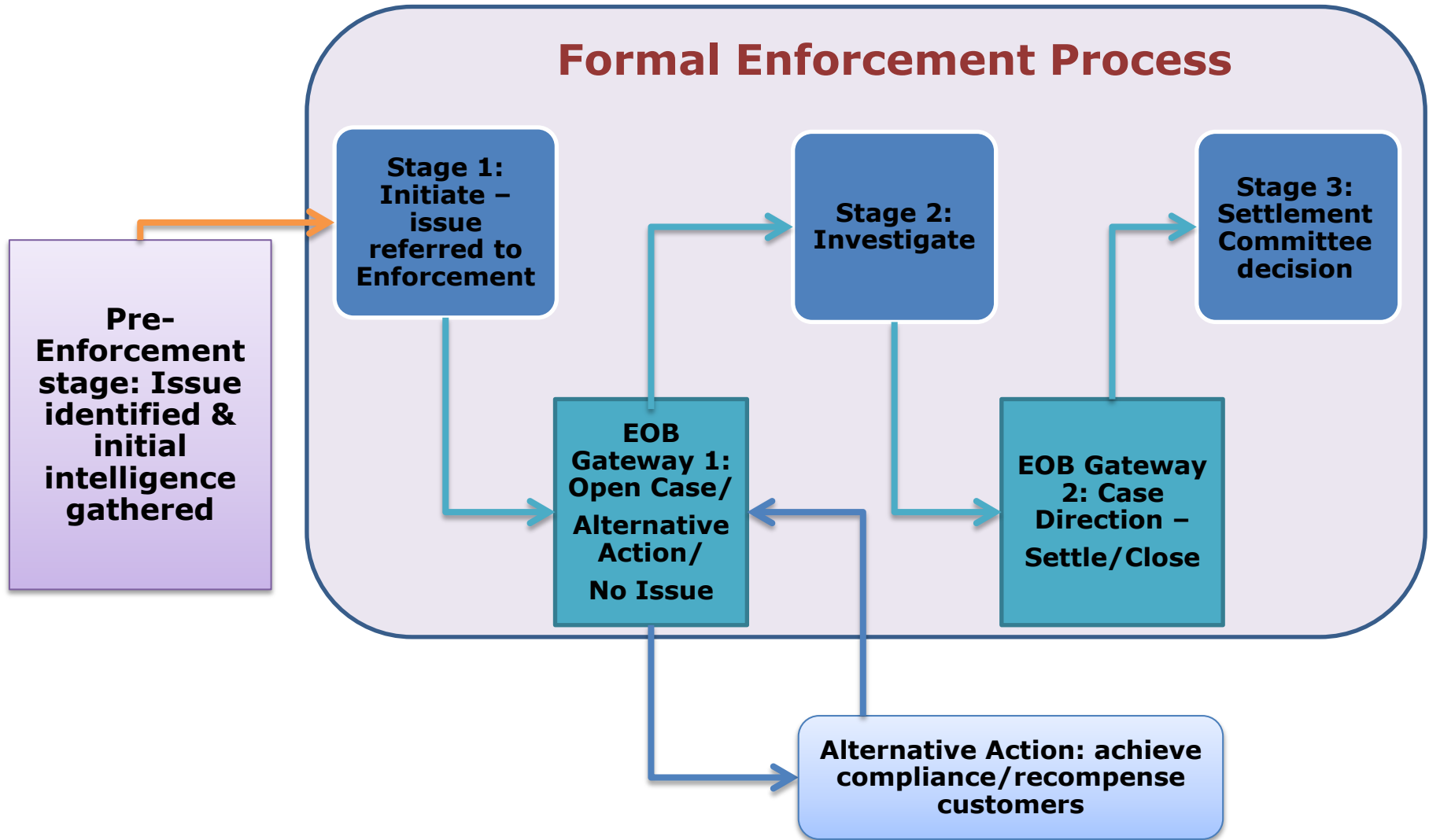
Reviewed **enforcement function**, starting late 2012:

1. increase **impact and efficiency** of enforcement activities
2. develop **clear strategic framework** for selecting & prioritising enforcement cases
3. improve **transparency, proportionality** and **visible fairness** of enforcement activities



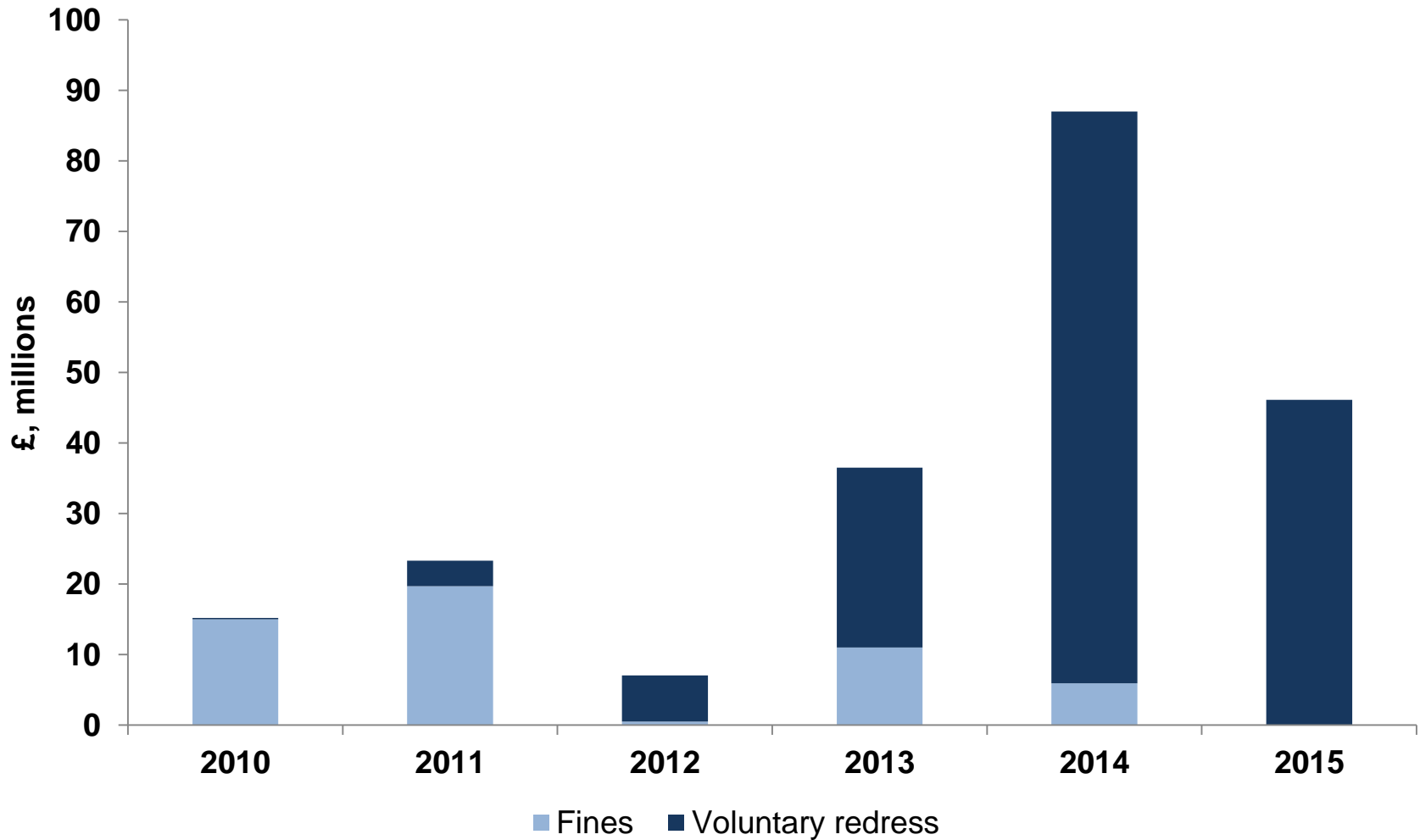
- Enforcement increasing in prominence by 2012:
 - delivering more investigations and penalties than before
 - Retail Market Review (2011) – expect tougher enforcement
- Increasing size of team – making sure processes support expansion

- Significant changes in 2014 included:
 - Enforcement Oversight Board (EOB)
 - Enforcement Decision Panel (EDP)
 - New process for settling cases
 - Case management system & guidance



- Did we meet **original objectives?**
- It's a good time to **take fresh look**
- Enforcement now in **Improving Regulation**
- Consulted Ofgem staff /SCS, EDP, EOB, GEMA members, industry





- Shift towards **voluntary redress** rather than penalties
- ...2015/16:
- £43m to compensate customers and to charities -
£26.4m to customers and £19.3m to charities.
- Of money paid to charities and customers from those cases:
 - 400k customers received compensation
 - 200k consumers and 2.5k SMEs received help from charity redress
- currently doing work looking at impact for these recipients.

- More cases delivered, more quickly
- In 2014 and 2015, over **3x cases completed** vs 2012 (to be expected with more staff)...
- ...but average case length **decreased** from 34 months 2013-14 to 17 months in 2015 (cases where a breach was found).



- EOB significant improvement
- EOB improved internal transparency
- EDP/Settlement Committees well regarded
- 5 stage process clearer & more predictable

- Stakeholders also highlighted areas where we could improve including:
 - Composition of Settlement Committees
 - Transparency of settlement decision making



- **Settlement Committees** - new three person model:
 - two EDP members (one of whom will chair the Committee)
 - one member selected by GEMA Chair - Partner or Senior Partner
 - decision makers aim for consensus - backstop is majority vote
- **Benefits:** creates more visible independence; retains policy expertise & widens pool of people with sector knowledge; and aligns with Ofgem's aim to delegate more decision making (not necessary to always have Senior Partner)
- **Enforcement Guidelines & EDP ToR** will be updated

Issue	What we will do
<p>Communication – some lack of understanding about why & when enforcement brought in before case opening</p>	<p>Aim for Enforcement and policy teams communicating concerns & potential consequences of non-compliance clearly before case opening</p>
<p>Communication - Stage 2 of investigation lengthy & more dialogue required</p>	<p>Provide more engagement including written and oral updates to companies in Stage 2</p>
<p>Quality - mixed views on quality of SSIFs</p>	<p>Review SSIFs and approach to these in future</p>
<p>Transparency - companies feel they don't know enough about our thinking around settlement</p>	<p>(1) SC get parties' SSIF responses in full; (2) produce more detailed penalty notices; (3) some increase in oral comms around SC reasoning</p>
<p>Redress payments - principles and guidance needed</p>	<p>Being addressed – consultation now closed and forward approach being considered</p>

- ER positive step change – now we **build & improve**
- Enforcement & compliance environment **changing:**
 - enforcing against principles, evolving business models
 - 2014 penalties policy & 2014 Chairman's Letter
 - approach to voluntary redress could change...
 - approach to compliance and industry engagement – our next area of focus.

Questions

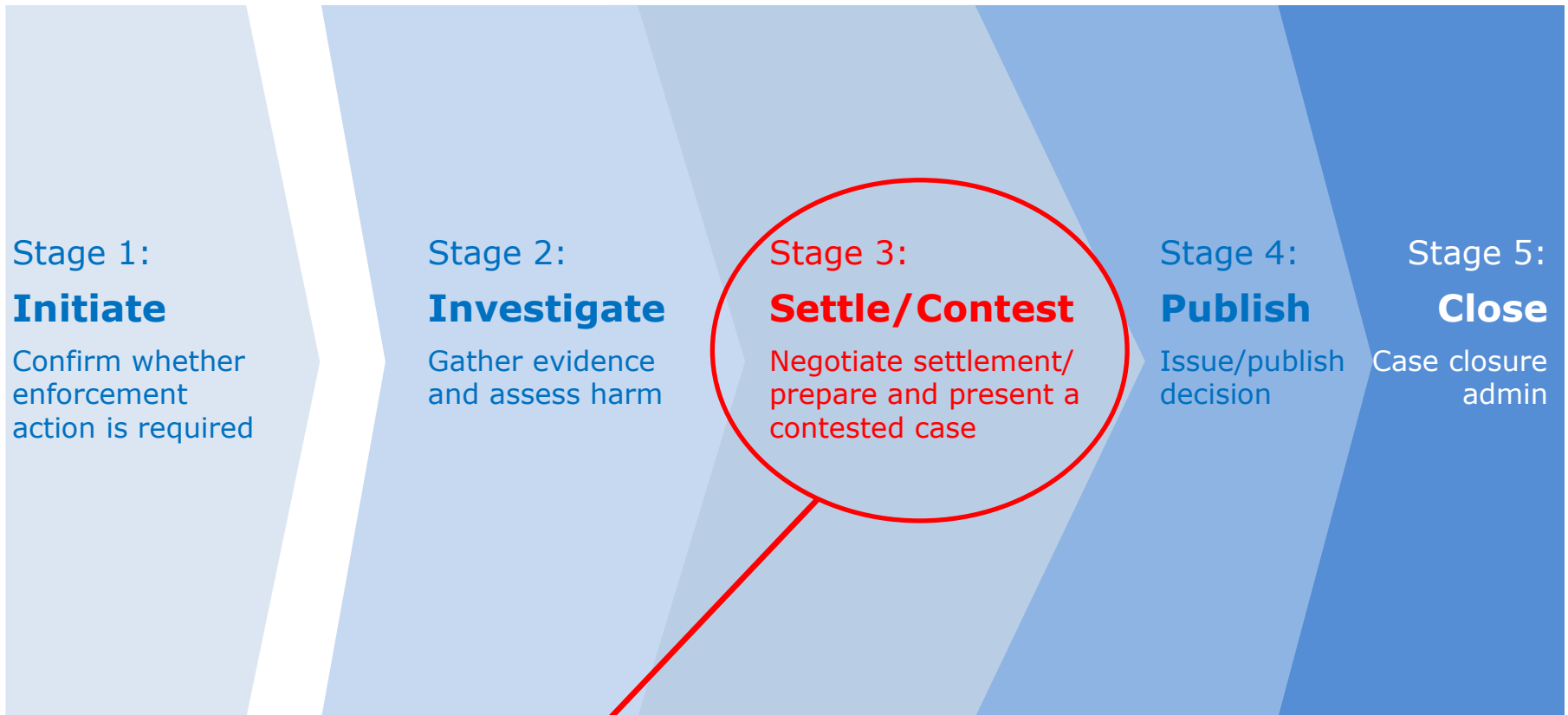
Break

11:10 – 11:30

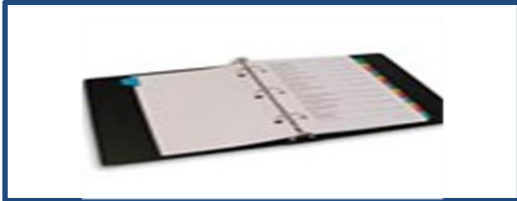
How a Settlement Committee works - The EDP perspective

Amelia Fletcher & Elizabeth France

Enforcement Decision Panel (EDP) Members



We become involved in one part of the process



Papers in advance

- Review and raise questions
- Request follow up material in some cases
- Now receive company response to SSIF as standard



Settlement Committee meeting

- Cover breaches, levels of penalty, and notices
- Open and challenging discussion



Follow up until early Settlement window closes

- Consider and approve changes post meeting
- Consider further information if necessary

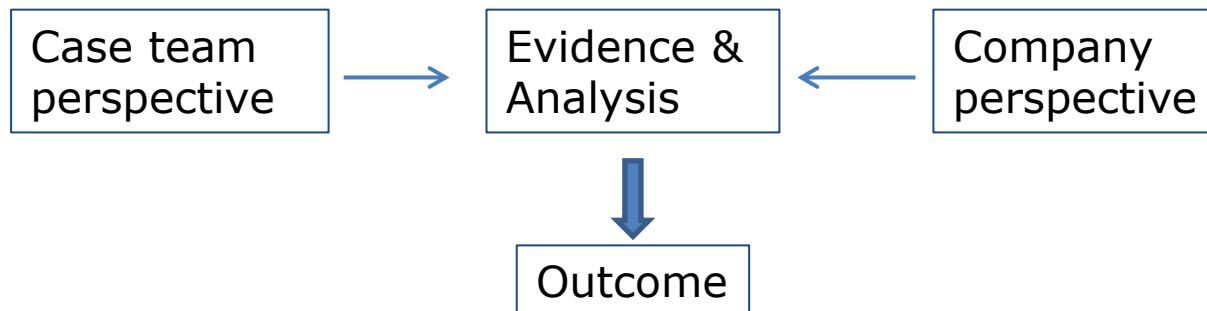


Post Consultation consideration

- Consider any responses
- Approve final notice

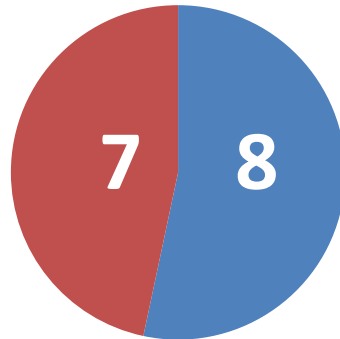
- **Pre-meet:** Committee and Legal adviser(s)
- **Main Meeting:** with Case team and Legal adviser(s)
 - **Breaches:** what happened and is it a breach?
 - **Penalty:** determine gain and detriment, consider seriousness to determine the penal element , consider aggravating and mitigating factors and then consider any deterrent. Determine settlement discount
 - **Notices:** Penalty notice and Press notice. Tone, accuracy and transparency.

Key Considerations



Out of 15 cases where a penalty was recommended by the case team:

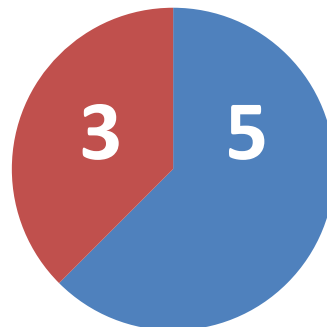
Penalty level unchanged by Settlement Committee



Penalty level changed by Settlement Committee

Out of 8 cases where the level of penalty was changed:

Penalty level decreased



Penalty level increased

What this tells us:

- ✓ Committee approaches the evidence fresh and challenges findings
- ✓ Case team's view is not assumed to be correct
- ✓ Committee is prepared to increase and decrease an outcome

Three person panel:

- 2 EDP members (including the Committee Chair)
 - 1 Partner or Senior Partner
-
- More heads means more challenge.
 - Majority decision making is simpler and removes risk of “lowest common denominator”.
 - Retains mix of sector knowledge and more independent decision making expertise.

Questions

Compliance

Kiera Schoenemann

Head of Enforcement & Compliance Policy

and

Stephen Bass

Head of Domestic Consumers



Change

Outcomes

Trust

- Pace of change
- New products and services
- More market participants
- Different market participants
- Merging markets
- Diverse consumer needs, including vulnerable consumers
- Consumer expectations

**PAST
PRIORITIES**



**NEW
PRIORITIES**

Actually...

**SAME big picture priorities (positive consumer outcomes)
but different approaches to delivering**

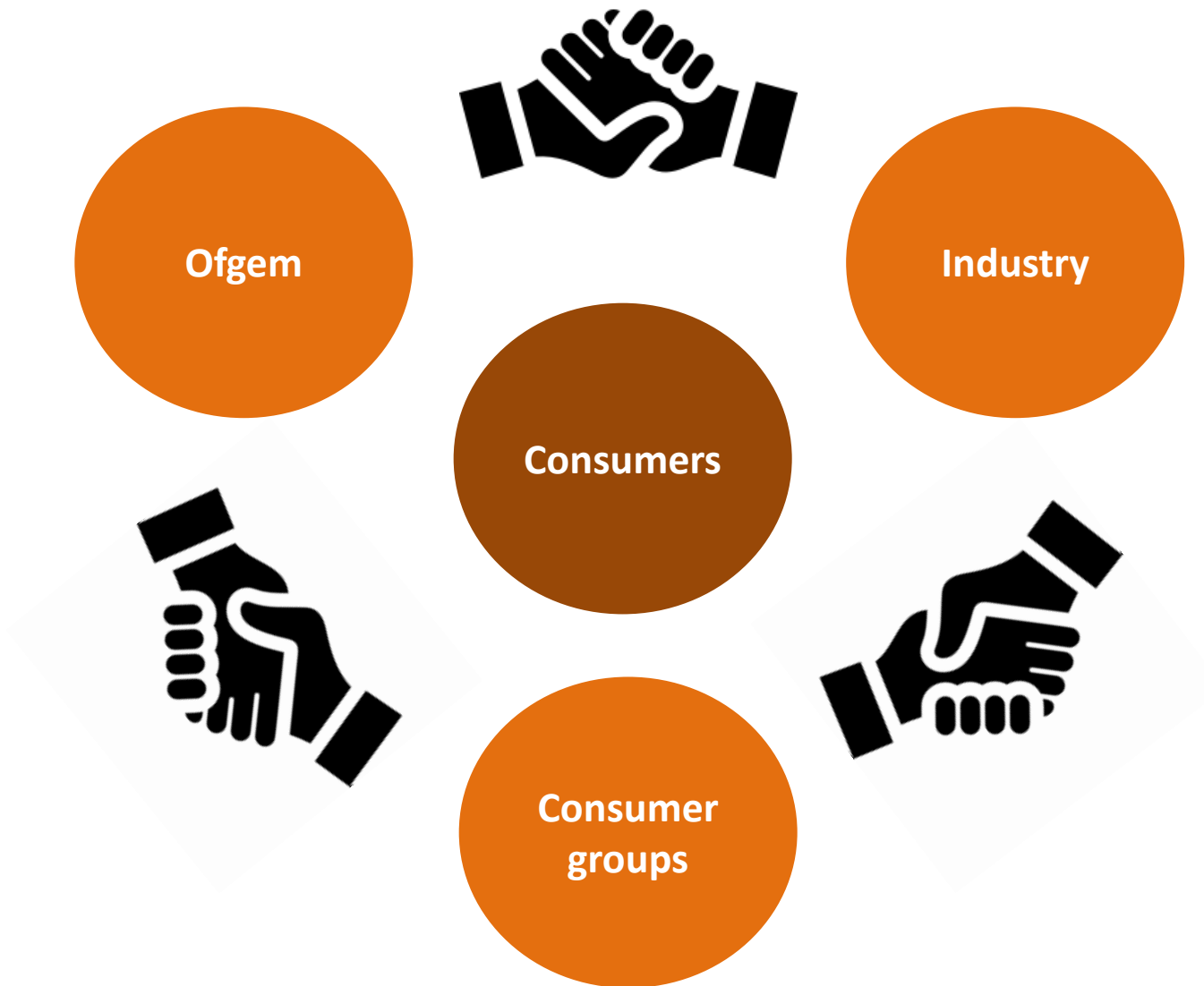


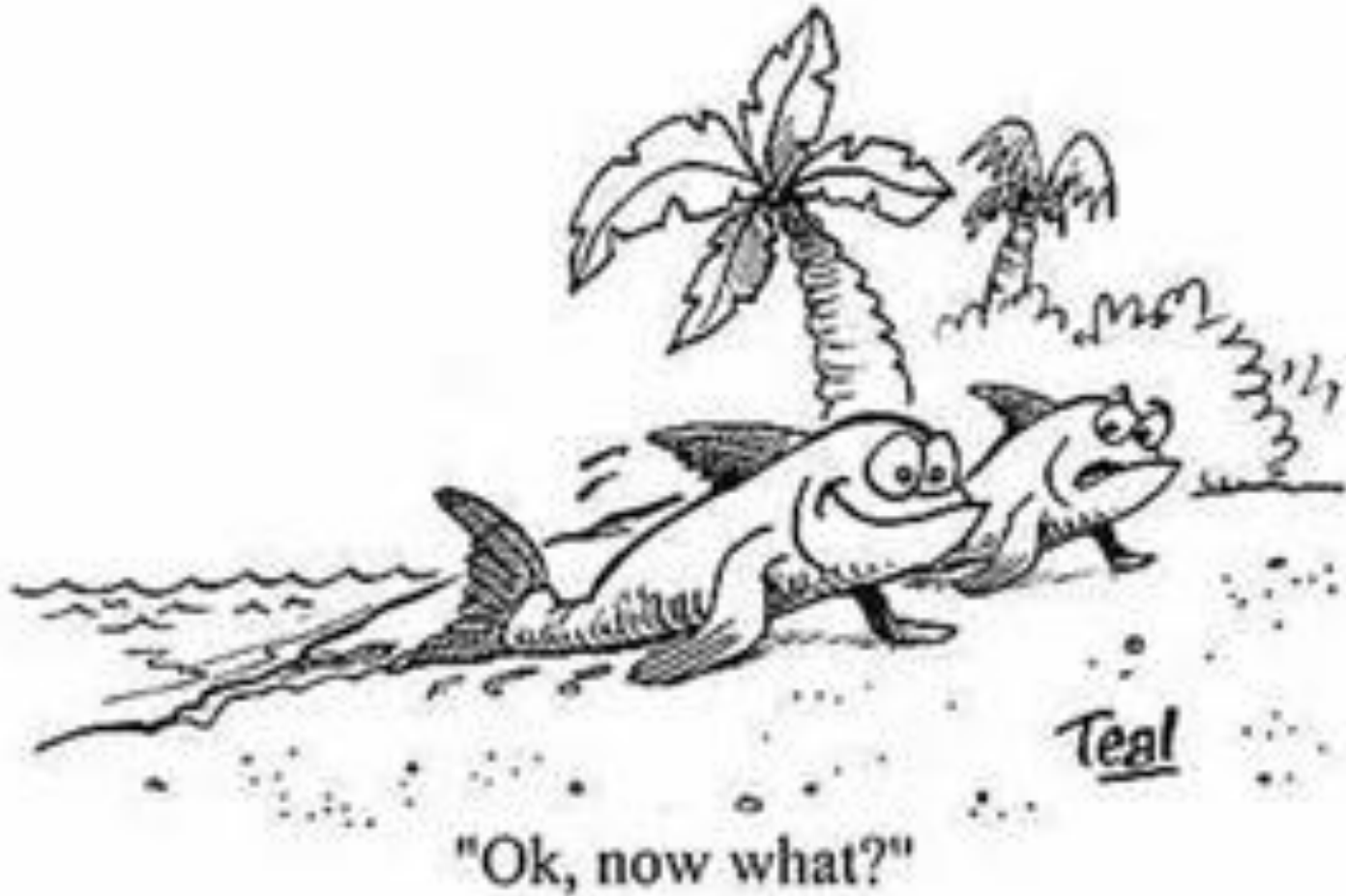
Our vision is to achieve a culture where businesses put energy consumers first and act in line with their obligations.

Our compliance principles

- Responsibility for regulatory compliance rests entirely with the boards of directors of the companies that we regulate.
- Ofgem's role is to ensure that regulatory obligations are clear.
- We will adopt a proportionate, risk-based and cost-effective approach to the allocation of regulatory resource.
- We will adapt our approach and the regulatory interventions that we choose to make to secure compliance.
- Where appropriate we will share information with specific agencies and stakeholders and establish partnerships with other regulators, enforcement bodies and consumer organisations to exchange relevant information on potential compliance issues.

Source: [Open letter on regulatory compliance](#), Ofgem (2014)





Since the RMR came into force in December 2013, the domestic retail team have monitored outcomes and compliance with our information remedies, tariff rules and Standards of Conduct. Our focus is guided by our analysis of consumer detriment.

In the last year alone, we have successfully resolved over **200 compliance issues**.

Information remedies

Targeted information requests



Tariff rules

Monitoring suppliers' website, T&Cs, etc.



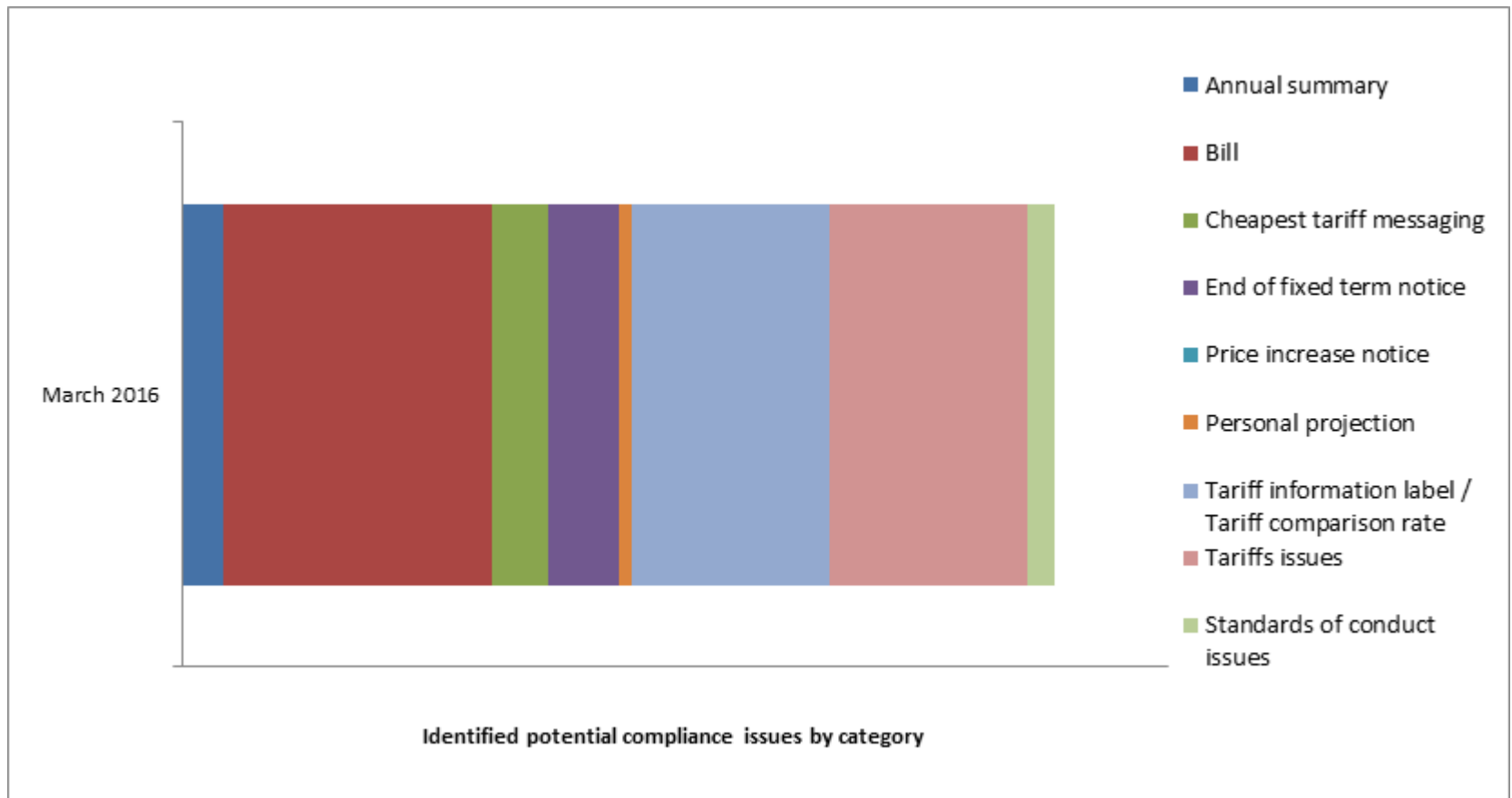
Standards of Conduct

Analysing complaint stats, engaging with consumer bodies, Challenge Panels etc.



Spotlight on domestic retail compliance activities

We take a risked-based approach to opening compliance cases, and prioritise those that could result in significant consumer harm.



Domestic retail compliance

Where is our focus?

- All compliance monitoring is centred around the consumer experience
- In line with the Enforcement priorities and the transition to principles, we will prioritise much of our monitoring and compliance activities against the Standards of Conduct
- In April we de-prioritised enforcement of several RMR rules to deliver the aspiration of the Competition & Market Authority. The onus is on suppliers to ensure any potentially non-compliant tariffs are consistent with the CMA's comparability principle
- Since 2014 Ofgem and BEIS have run a joint Independent Supplier Stakeholder Engagement Programme
- We are working with Citizens Advice and the Ombudsman to provide a richer data set and view of compliance in the market
- In advance of the CMA's proposed licence condition for Ofgem-led trials, we welcome approaches from suppliers to test new approaches to improve the consumer experience.

Ofgem's role in monitoring the market, influencing suppliers and addressing issues through compliance action is **complemented by Citizens Advice and the Ombudsman**



- **Citizens Advice** – has a clear view of what customers are experiencing and what the greatest issues are



- **The Ombudsman** – has direct contact with consumers and suppliers and use its position to provide direct feedback to industry on performance.

Ofgem is working with these partners to better understanding of the state of the market, improve engagement with suppliers and communicate supplier performance.

Lessons and expectations to secure better outcomes for consumers

Lessons

- Open and constructive engagement is beneficial to all – if you're unclear on something or think there's an issue, please get in touch
- Ex ante compliance and prevention are preferable to managing issues where harm has already occurred

Expectations

- Companies should take ownership of compliance
- Put the consumer first
- Notify us early if you think there is an issue and act swiftly to put things right
- You can expect us to welcome engagement and to be proportional, transparent and consistent in our activity

Get in touch with the Domestic Consumers team directly:
DomesticRetailPolicy@ofgem.gov.uk

Questions

Voluntary redress payments breakout discussion

Kieran Coleman

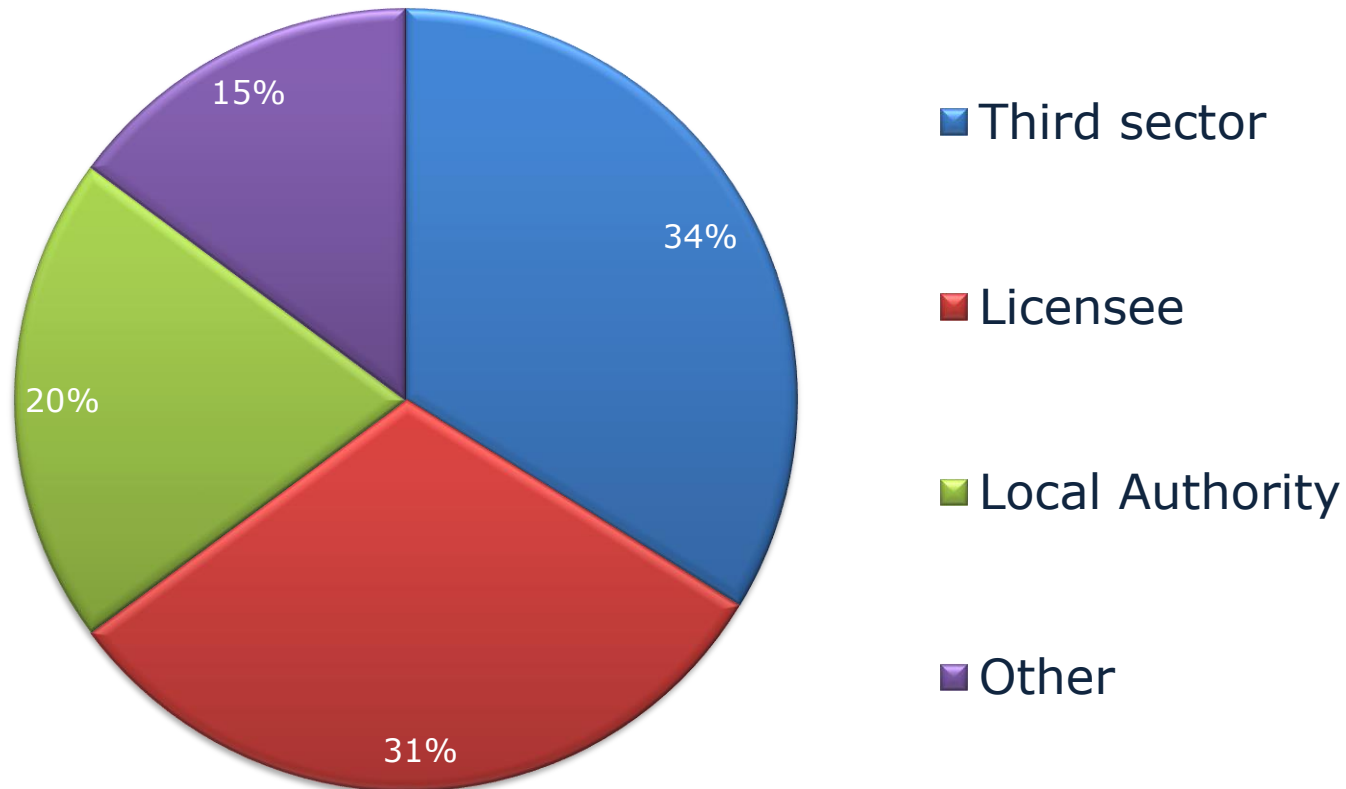
Senior Manager, Enforcement & Compliance

- Consultation closed 24 August
- Used a survey to assist stakeholders to respond
- We are currently analysing responses

Purpose of today:

Have a discussion on some points to gather your views to assist our decision-making

Total number of responses: **74** (of which, 15 via survey)



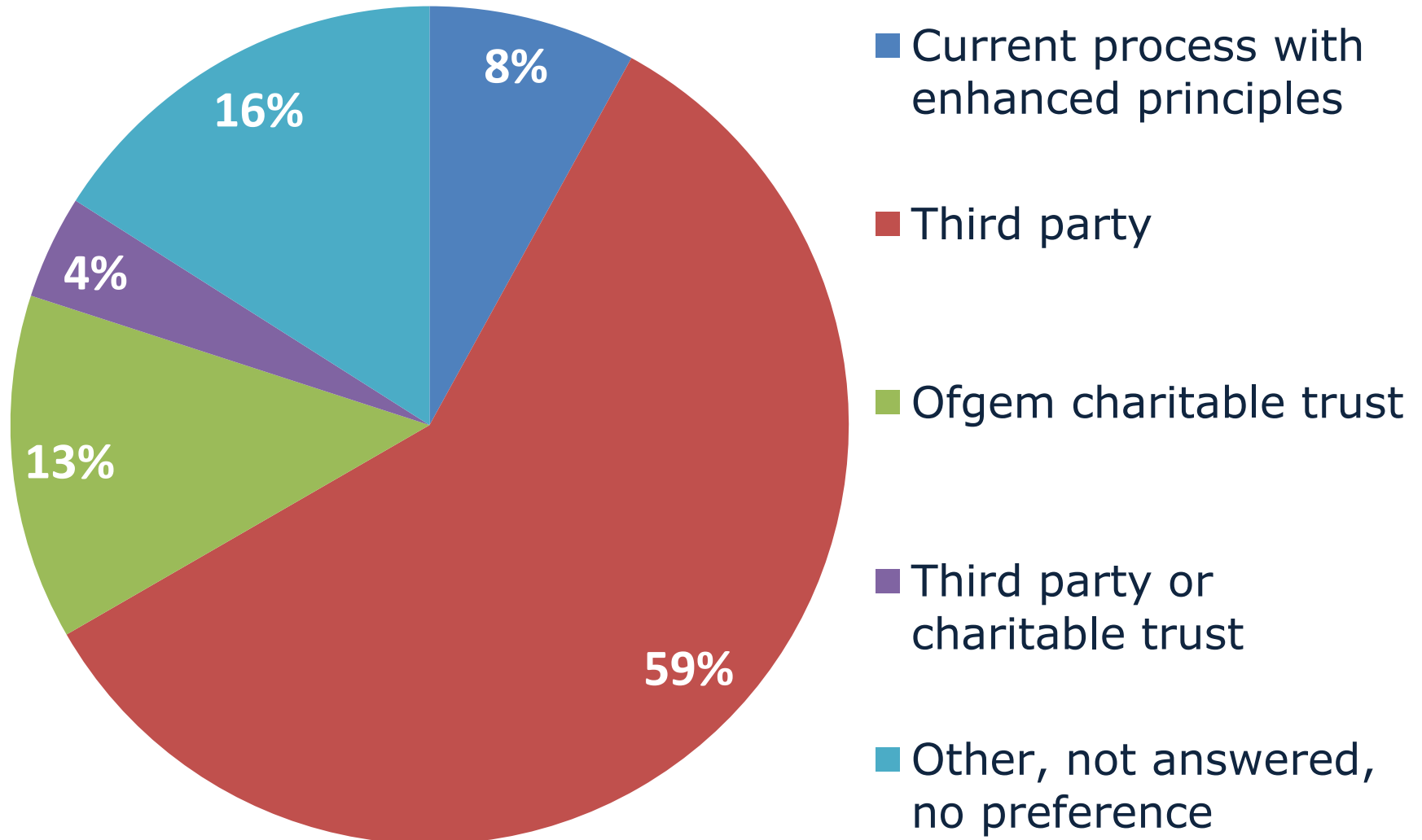
- Current process with enhanced principles
- Responsibility for allocation given to an expert third party
- Ofgem to establish a charitable trust

- Time given to spend the money should be longer
- Monitoring and reporting requirements should be proportionate to the level of funding

- 15 responses (including umbrella groups)
- Common concern: LAs support vulnerable energy consumers but few have so far been able to benefit from voluntary redress funding because of a preference to allocate it to charities

- A minority of responses are along the lines of *"if it ain't broke, don't fix it"*
- A significant majority indicate that changes and improvements are very welcome

Which is your preferred option?



Questions to discuss

If you were responsible for progressing option 1 or 2 and delivering maximum positive impact for consumers...:

1. How would you take it forward?
2. What risks would you be especially mindful of?
3. How would you handle charities/trusts established by the company under investigation and/or whose name is similar to that of the company?
4. Should local authorities be able to access the funding?

- Complete our analysis of responses
- Follow up on key points raised through further stakeholder engagement
- Aim to decide on way forward by end of 2016

Further thoughts on our approach to voluntary redress?

Get in touch! redress@ofgem.gov.uk

Lunch

13:00 - 13:45

Improving regulation for vulnerable consumers

Gillian Cooper

Head of Retail Energy Markets, Citizens Advice

Improving regulation for vulnerable consumers

citizens
advice

Ofgem Enforcement and Compliance Conference

About Citizens Advice

Citizens Advice and Citizens Advice Scotland represent consumers across essential regulated markets. We are the statutory consumer advocate for energy and postal services in Great Britain and for water in Scotland. We use compelling evidence and expert analysis to put consumer interests at the heart of policy-making and market behaviour. We have a number of responsibilities, including unique powers to require private and public bodies to disclose information.

We tackle issues that matter to consumers, working with people and a range of different organisations to champion creative solutions that make a difference to consumers' lives.

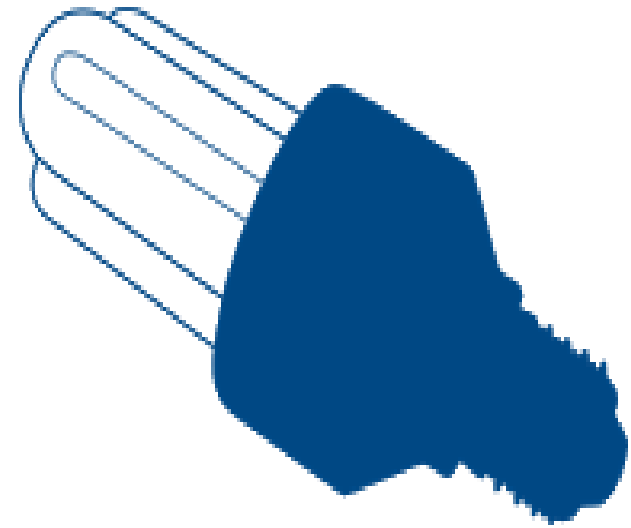
Outline

- Our role, ways of working and impact
- Improving regulation for vulnerable consumers
 - CMA
 - Future Retail Regulation
- Focus on vulnerable consumers
 - Sharing good practice
 - RIIO's good intentions
 - Smart meter rollout

Our role

The Citizens Advice service:

- Provides energy consumers with accessible advice as well as help raising a complaint through our core channels of web, telephone and face to face
- Provides energy consumers with information enabling them make decisions about their supply and access specialist services
- Advocates on behalf of energy consumers to ensure regulation reflects how they actually think and behave



Our impact

How we help people find a way forward



How we work: Energy team

- Represent consumers in policy debates and discussion with industry, the regulator and government
- Analyse data from across the Service to identify emerging trends and consumer detriment
 - [Work with industry and the regulator](#) to deliver improvements in company policies and practices
 - If appropriate, refer companies to Ofgem
- Work with teams across Citizens Advice to [educate, inform and inspire energy consumers](#)
- Publish wide range of data to help consumers make informed decisions and incentivise companies to improve their customer service

How we work: Extra Help Unit

In 2015-16

- The EHU handled 9,627 complaints and enquiries from vulnerable consumers in 2015-16 as well as 1,165 Ask the Advisor calls
- 24% of complaints were priorities, meaning the consumer needed urgent help and support.
 - Carry out quarterly analysis of all priority complaints received to identify trends and highlight areas for improvement.
- In the last quarter the EHU discussed the following issues with companies: complaints performance, revenue protection, back-billing, beneficial use, disconnection for debt, meter appointments, discretionary credit when self disconnection and marketing complaints

Improving regulation for vulnerable consumers

Consumers in vulnerable circumstances are likely to be especially at risk if they face problems with affordable access to such essential services, with potentially serious effects for their health and quality of life and that of their children. But consumers' individual circumstances are not the only factors to take into account. The ways in which these markets operate and the policies and practices of the companies involved heavily influence whether consumers are vulnerable in the provision of these essential services.

Citizens Advice: [Tackling consumer vulnerability](#)

Improving regulation for vulnerable consumers: CMA energy market investigation



- Impact on vulnerable consumers
- Priorities for Citizens Advice
- Evaluating success

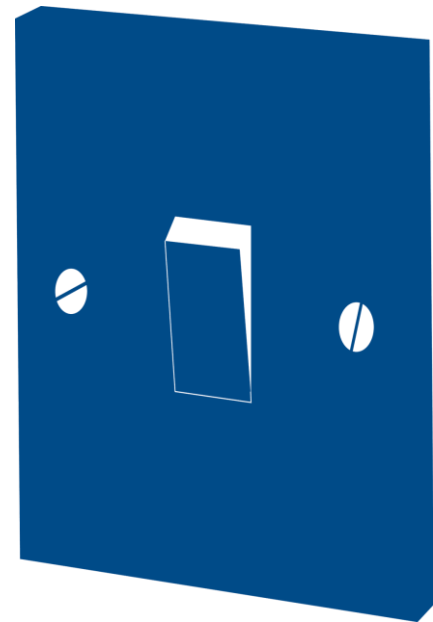
Improving regulation for vulnerable consumers: Future Retail Regulation

- New broad principle on vulnerability is an opportunity to deliver better services and support for consumers
- Significant culture change is required on all sides
 - New approach requires new ways of working
 - Committed to working with Ofgem and industry to create the right compliance framework
- Recognise the challenges for our organisation as an advice provider

Future Retail Regulation: new tripartite approach

Opportunities

- Customer journey is key: different data sources tell a different story
- Strengthen our knowledge of supplier policies and practices
- Coordinating efforts as opposed to duplicating efforts
- Consistent messaging is essential from data publication to dialogue with suppliers



Future Retail Regulation: new tripartite approach

Challenges

- Avoid duplication of effort and/or mixed messages for industry
- Need to improve effectiveness of the customer journey
- Changes to existing data sources

Citizens Advice service

- Powerful evidence base but recognise there's more to be done
- Commissioned IFF to review our evidence base in 2016
 - Interviewed internal and external stakeholders



Future retail regulation: improving our evidence base



Consumer Service

New codes going live in October
Plan to align CS codes and AIC codes



Extra Help Unit

New codes going live in October



Petra (E&W)

Replacement 'Casebook' is under development and will include trader names



CASTLE (S)

Replacement under development



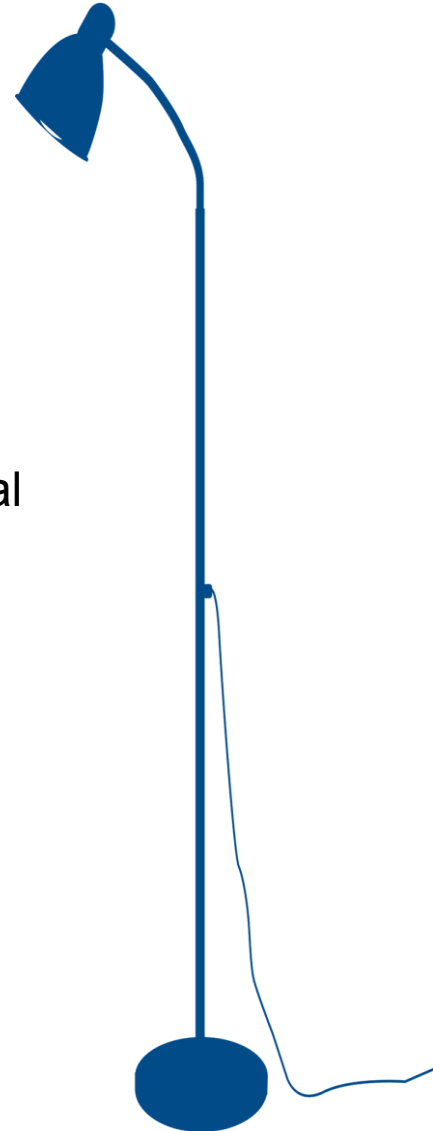
Google Analytics

Page visits
Time
Device
Geographic data

Focus on vulnerable consumers: our approach

Case studies

- Sharing good practice
- RIIO's good intentions: network companies' social obligations
- Vulnerable consumers and the smart meter roll out



Focus on vulnerable consumers: sharing good practice

Why?

- New entrants
- Future retail regulation
- Better processes for vulnerable consumers benefit all consumers

Focus on vulnerable consumers: sharing good practice



What have we learned already?

[Help and support](#) for prepayment customers who self-disconnect

[Welfare reform and essential bills](#)

[On supply, in control](#)

1. Upskilling frontline customer service agents
2. Specialist teams
3. Data and segmentation
4. **Strong signposting/referral routes to third parties**

Focus on vulnerable consumers: sharing good practice

Current research project

What works well in terms of offering help and support to consumers via a third party?

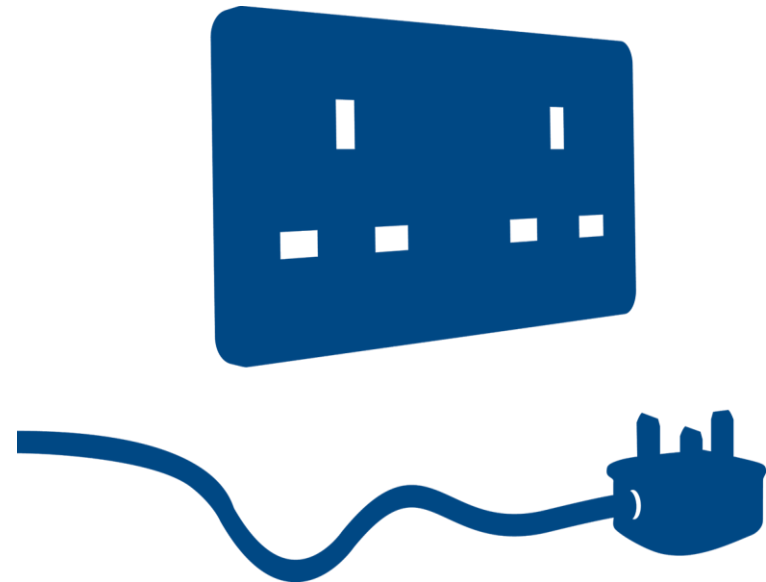
What are the challenges?

- Signpost or referral
- Maximising take-up, minimising drop-out
- Range of agencies (debt and money advice, energy efficiency, foodbanks)



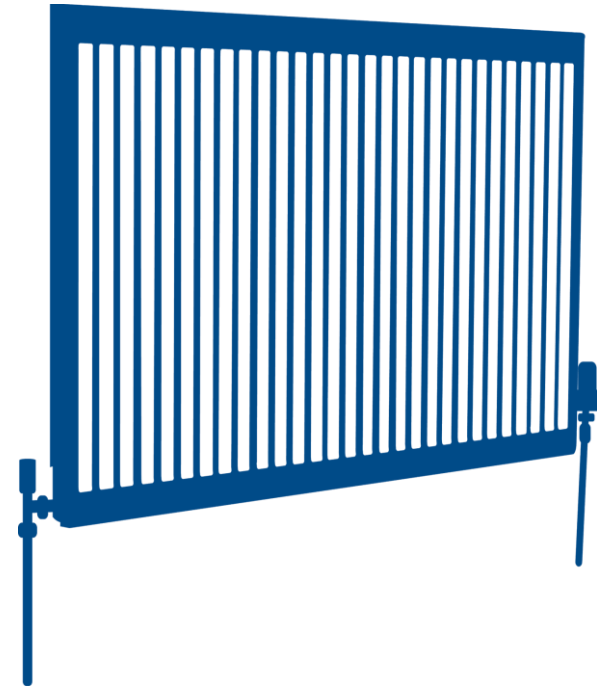
Focus on vulnerable consumers: RIIO's good intentions

- Supportive of decision to include 'social obligations' as output of electricity & gas distribution networks' RIIO price controls
- Substantial progress has been made in enhancing networks' role in improving the Priority Services Register and continuing to connect fuel poor off-gas consumers to the grid
- If the evidence from existing incentive schemes in ED1 and GD1 shows that networks are highly effective at delivering cost-effective outcomes for vulnerable consumers, there may be scope for extending the incentives in RIIO-2.



Focus on vulnerable consumers: RIIO's good intentions

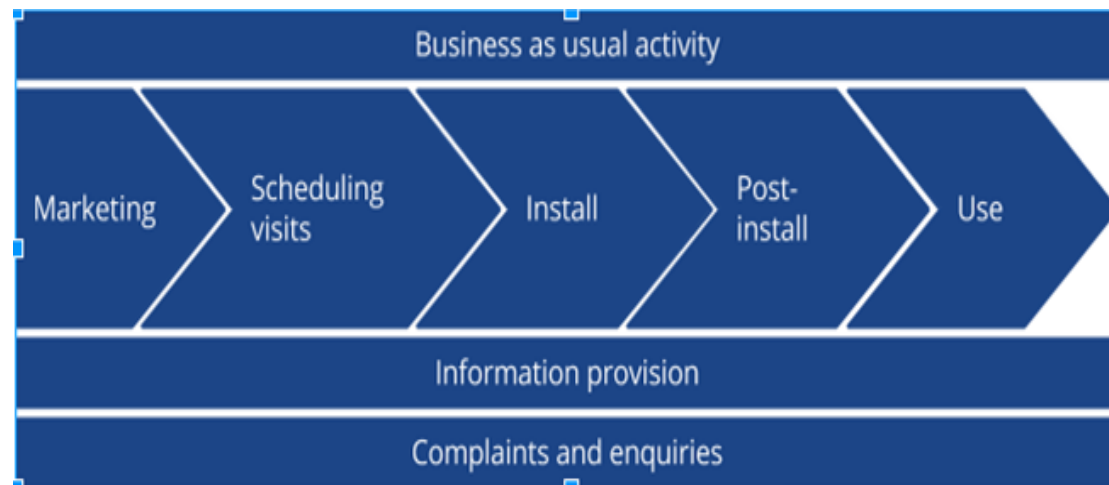
- Networks' interventions need to be evaluated effectively. Wherever possible, benefits and costs should be quantified, providing consumers with confidence that their money is being well-invested in vulnerability schemes.
- Networks should be making sure that they consider the needs of vulnerable consumers in their long-term decision making (e.g. through considering distributional impacts of major network investment decisions).



Focus on vulnerable consumers: smart meter rollout

Findings of our Spring 2015 review

- Different levels of service provision emerging
- Housing is not recognised as a vulnerability factor
- Consumer benefits are dependent on information provision
- Energy efficiency advice is the key gap
 - Limited attempts made to link the rollout with wider energy efficiency programmes



Focus on vulnerable consumers: smart meter rollout

Report recommendations

- Improved reporting on smart meter service provision and impact of the roll out on vulnerable consumers
- Government to define energy efficiency advice provision, embedding links between the smart meter rollout and fuel poverty programmes
- Suppliers and networks to work with consumer representatives to identify consistent and fair resolutions to issues arising at the point of installation

Focus on vulnerable consumers: smart meter rollout

Next steps

- Issue follow up request for information on suppliers' approach to vulnerability in the smart meter roll-out which will:
 - Provide an overview of industry's approach(es)
 - Enable comparison of supplier policies
 - Aim to establish good practice for suppliers to use and build upon
- Ensure new vulnerability principle accounts for potential impacts of smart on vulnerable consumers
- Monitor Consumer Service and Extra Help Unit cases for early signs of problems and highlight policy implications

Focus on vulnerable consumers: smart meter rollout

Success criteria

- Provide extra help for those who need it. No one is left behind
- Take advantage of economies of scale
- Ensure suppliers share good / best practice





Gillian Cooper
6 September 2016

Future retail regulation

Laila Benfaida and Bruno Sheldon
Senior Managers, Enforcement & Compliance

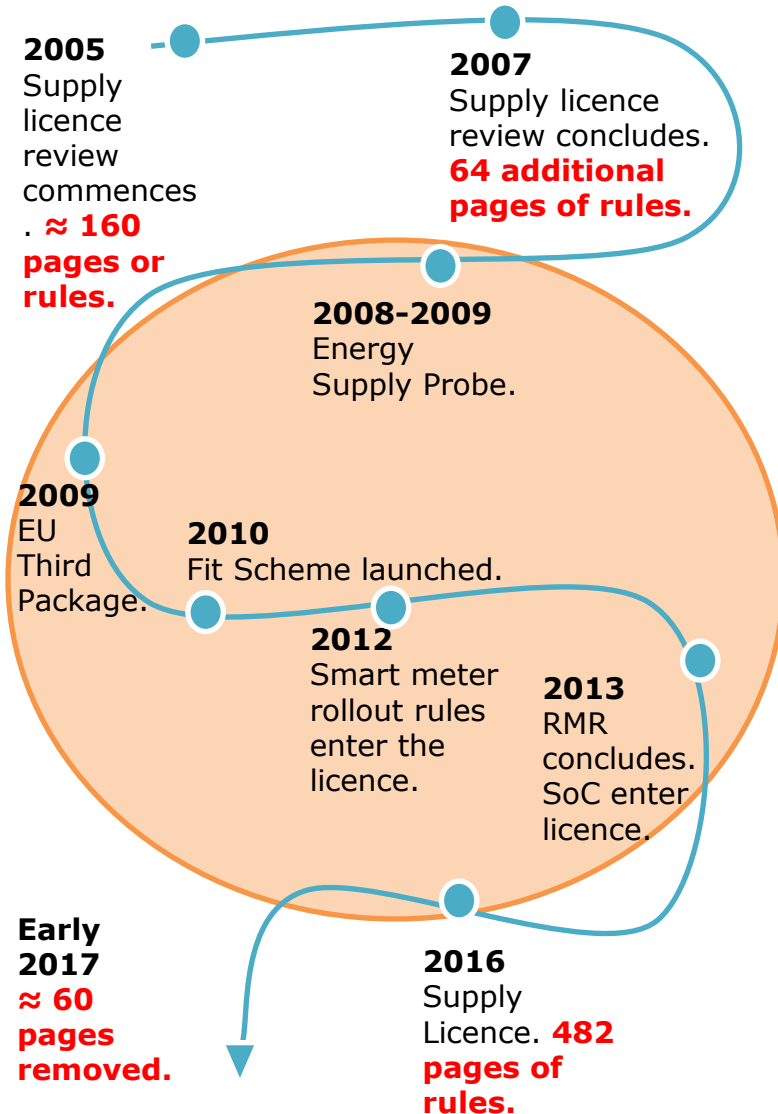
1. Project update

2. Table discussion:

- Standards of Conduct
- Vulnerability Principle

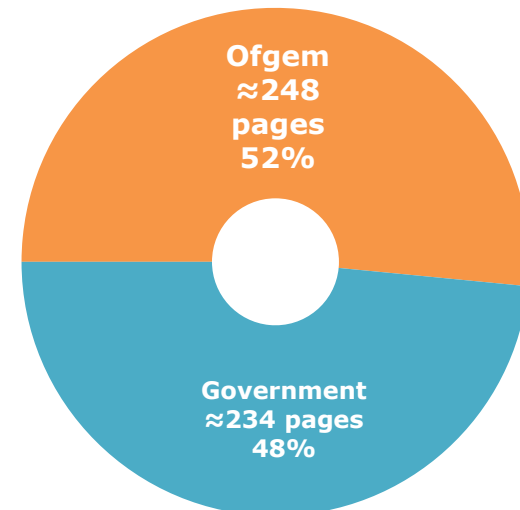
(... and we always welcome any further views on our approach to enforceable principles: FutureRetailRegulation@ofgem.gov.uk)

The journey to principles and the effect they will have



Relying more on principles in our regulation and less on prescription will:

- Promote **innovation and competition** among suppliers
- Provide **effective protection for consumers** in a rapidly changing market
- Put **responsibility firmly on suppliers** for achieving good consumer outcomes



Significant changes to the supply licences and the way we operate them start with us, and will requires us to

Where appropriate, shift away from a prescriptive approach to regulation.

Describe clearly the policy intent of our rules and our expectations of suppliers to provide greater regulatory certainty.

Be comfortable with suppliers delivering positive consumer outcomes in different ways, except where a "one-size-fits-all" approach is needed.

Engage proactively with suppliers and assist with the shift to principles.

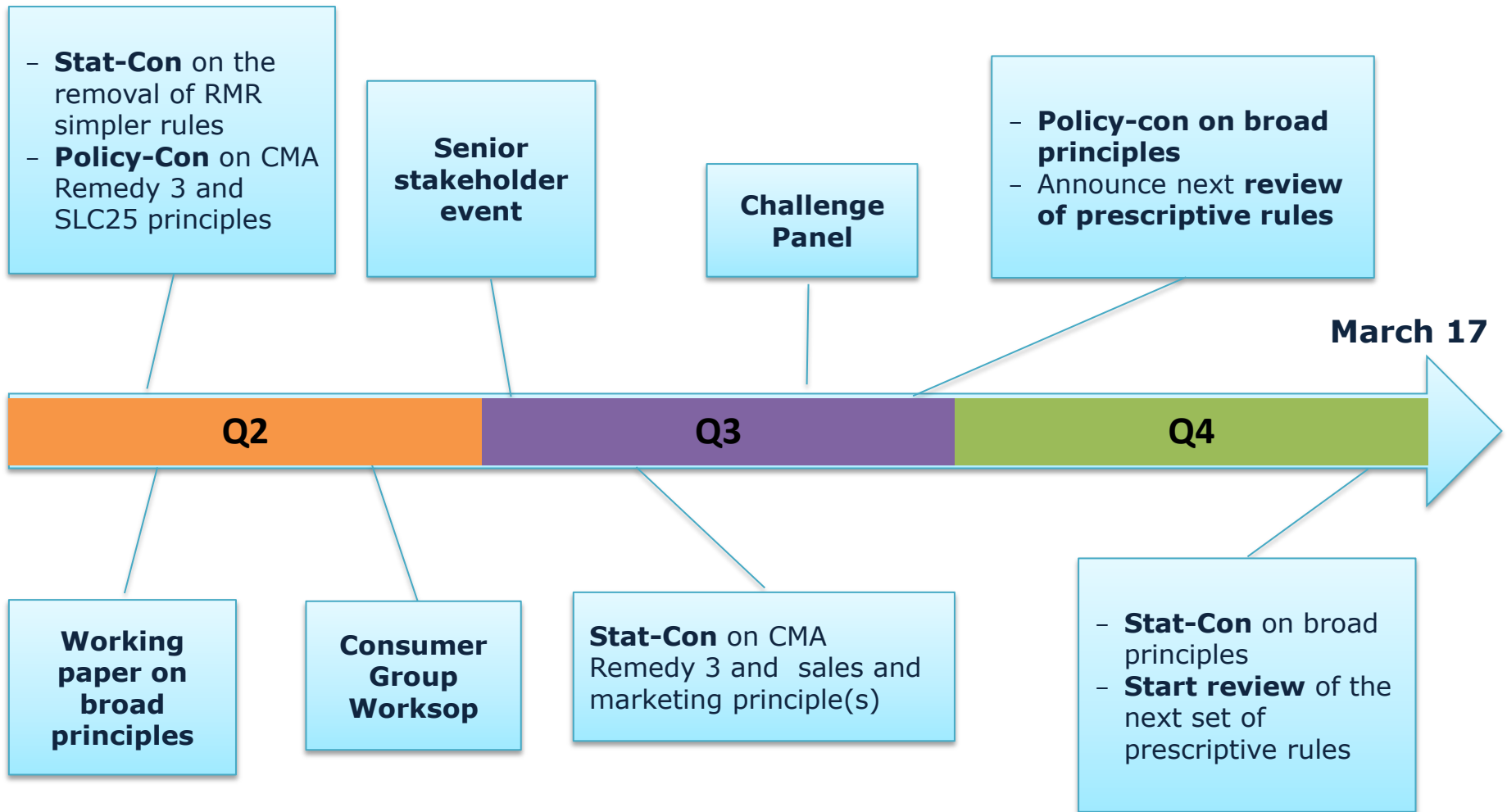
Take a risk-based, structured and proportionate monitoring approach.

Take responsibility for achieving good consumer outcomes by...

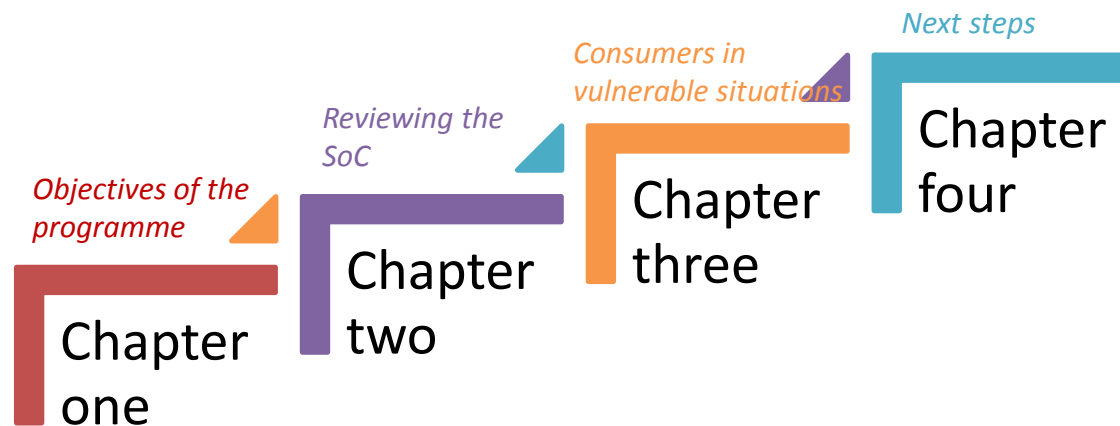
Being customer-centric in all that you do

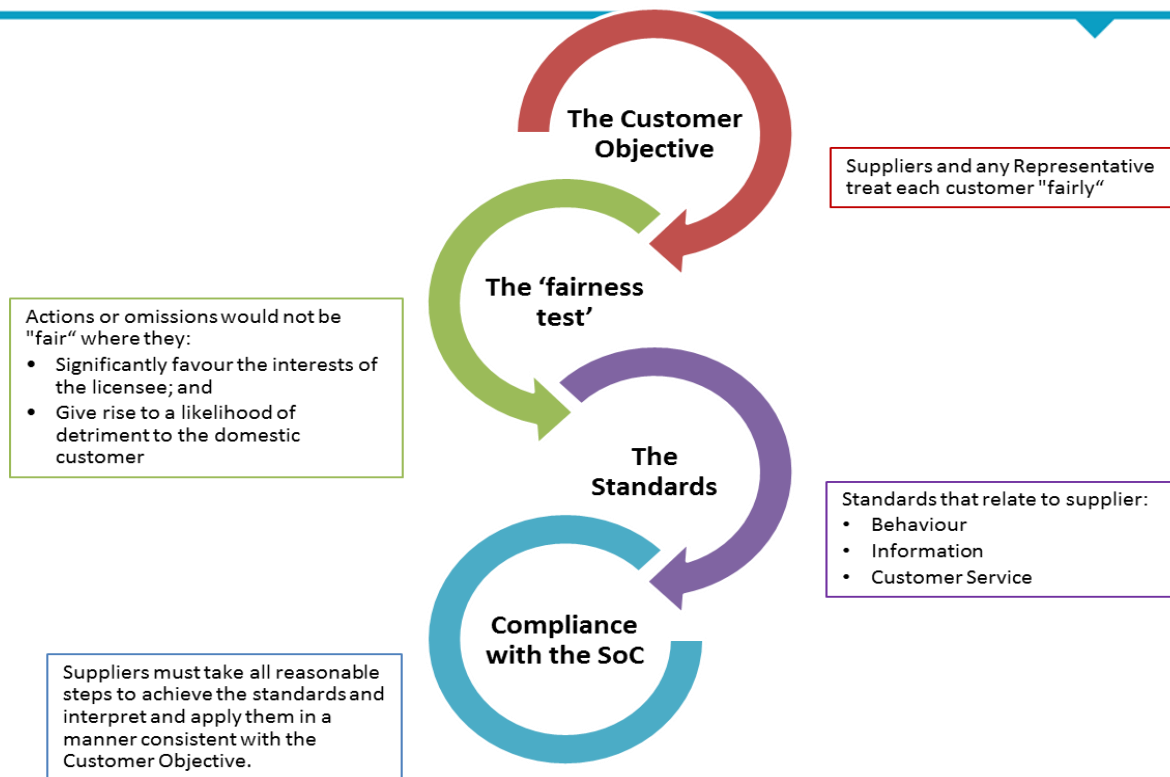
Coming to us ASAP when you spot a problem

Acting promptly to put things right when they go wrong



- We published a working paper on broad principles on 18 August 2016.
- The paper sets out our current thinking for amending the Standards of Conduct (SoC) so they remain fit-for-purpose in a rapidly changing domestic market. It also outlines our intention to introduce a broad, enforceable principle relating to consumers in vulnerable situations.
- We do not expect formal responses to this paper. Any views can be raised via our inbox futureretailregulation@ofgem.gov.uk.
- We will be consulting on broad principles and other relevant areas (e.g. priority areas for reform, guidance approach and how we will operate under principles) in November this year.

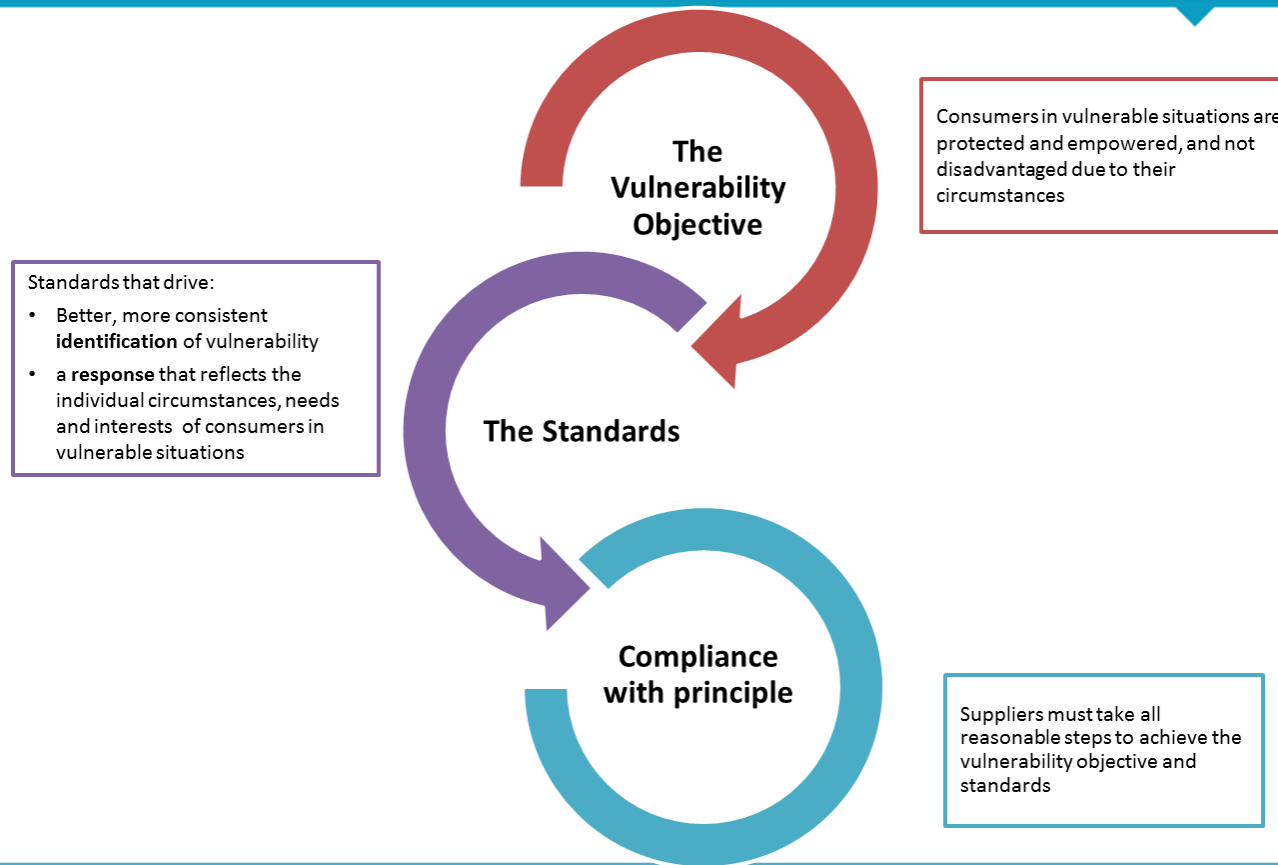




We are considering potential changes to the SoC:

- Could the Standards of Conduct communicate a clearer, more powerful message (eg 'significantly favour' vs. 'non-trivial')?
- Does the fairness test add a duplicative second-level test to behaviours which are intrinsically unfair (eg providing inaccurate information)?
- Are there benefits in moving the obligation to suppliers (and away from Ofgem) to demonstrate all reasonable steps (eg active consideration of what is reasonable)?

Consumers in vulnerable situations



Intent: Clarify our expectation, in the supply obligations, that suppliers must consider the needs and circumstances of customers in vulnerable situations. A customer's vulnerability should not disadvantage and get in the way of them realising the current and future benefits of the market.

Rationale: Vulnerability lends itself to a principles-based approach. It requires suppliers to exercise judgment and take accountability for finding effective, innovative ways to identify and respond to vulnerability

1. What benefits and/or challenges can you see with the potential amendments to the SoC as set out in the August [working paper](#)?
 - Could the Standards of Conduct communicate a clearer, more powerful message (eg 'significantly favour' vs. 'non-trivial')?
 - Does the fairness test add a duplicative second-level test to behaviours which are intrinsically unfair (eg providing inaccurate information)?
 - Should responsibility be with the supplier to demonstrate that all reasonable steps have been taken?
2. What benefits and/or challenges can you see with a broad enforceable principle regarding supplier behaviour towards customers in vulnerable situations?

Closing remarks

James Waugh

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We are always keen to hear from you –
get in touch with us at any time:
enforcement@ofgem.gov.uk