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Dear Mr Blagrove,

Priority Services Register - Consultation Response

Thank you for allowing us the opportunity to comment on the proposals contained within your Consultation Paper dated 13 June 2016 entitled "Priority Services Register Review: Statutory Consultation". First Utility is pleased to submit the following observations in relation to the questions posed at page 29, Appendix 1.

General

We have maintained a keen interest in the progress that Ofgem has made in the area of Vulnerability and the Priority Services Register, and we are generally supportive of the proposals made in the Consultation.

We consider that these changes reflect a natural evolution in the way that consumer needs are met. Ofgem's proposed changes acknowledge that consumers are people, and that they have needs that are personal to them. We have had our concerns that the Supply Licence Condition, as currently drafted, is cumbersome and restrictive. We are pleased that it is acknowledged that more could be done to address individuality, allowing our customers to feel more in control and more comfortable that they have the resources and services they need to enjoy their energy supply unencumbered. Like many suppliers, we have applied the principles within SLC 26 perhaps more widely than



its authors had originally anticipated - to give individuals who might otherwise not have benefitted, access to services where circumstances naturally demand them.

We believe that these final proposals will be helpful to the image of our Industry and pave the way for suppliers to innovate and tailor their products and services so that they are personal to the individual. They are not without their challenges, but we welcome the opportunity for these proposals to shape the interaction we have with our customers in the future.

Question 1

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

We agree broadly with the final proposals and with the associated proposed licence conditions.

We believe that eligibility under the existing Supply Licence Condition is restrictive, notwithstanding Ofgem's concerns that most eligible customers are not registered. We will address the broader issue of awareness at question 4, but the tick-box approach to eligibility which the current Licence Condition invites, is incompatible with the wide range of circumstances any of us (as consumers) might encounter in our lifetimes. We welcome Ofgem's move to a system of eligibility which explores the customer's personal characteristics and any vulnerable situation they may find themselves in. Our customer facing staff are already aware of the need to explore, with diplomacy, a customer's circumstances beyond the very specific criteria currently prescribed by the Supply Licence if we are truly able to understand and service their needs. We are acutely aware of the impact that certain situations can have on a customer's ability to manage their energy account. If we are able to anticipate problems caused, for example, by transient and sometimes life-changing events such as bereavement or redundancy, we are more likely to be able to react with the flexibility and understanding a customer is entitled to expect.



That is not to say that adopting a more accessible approach is without its challenges. With a potentially open-ended number of different circumstances leading to entry onto the PSR, we would ask Ofgem to recognise the systems and reporting impact that such flexibility might have - particularly the way in which “free-format” data is captured and reported on.

We are pleased that Ofgem has acknowledged the potential gap in the existing Licence Conditions which might otherwise exclude the provision of services where someone in the household *other* than the customer has a need. We already offer our customer entry onto the PSR based on the circumstances of others in the household where possible. It is unfortunate that this is not built into the proposed Licence Conditions but we appreciate that the Industry is seeking a more principles-based approach. We will, however, watch with interest the impact of opening up services to a much larger group of customers, in particular the concerns mentioned at 2.5 that the services will become diluted. We hope that, over time, an equilibrium will be reached - preserving the value of the services to those who need them the most.

We are grateful to Ofgem for clarifying what is required in taking “all reasonable steps” to identify customers eligible for PSR services. There is already a large quantity of standard call-scripted information that Suppliers must impart to customers in certain circumstances, and we feel that such an inquisitorial, potentially insensitive “check-box” approach is inconsistent with the highly individual nature of vulnerability. We believe that flexibility is key to the often sensitive nature of the conversation we will have with our customer, and that strong communication skills to elaborate on information given by a customer will play an important role. We would ask Ofgem, however, not to underestimate the time-intensive nature of a more tailored and proactive approach to establishing a customer’s needs.



Question 2

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

We agree with the final proposals and with the associated proposed licence conditions. We are grateful to Ofgem for resolving the concerns addressed at 3.6 and 3.12 in relation to meter reading services where someone in the household is capable of taking the reading.

The services at 26.5 are now defined more broadly, which we feel must be to the benefit of suppliers and customers alike. There will be a degree of flexibility around *how* these services can be offered which we find refreshing and more consistent with a needs-based approach. This will also facilitate the innovation that Ofgem anticipates around the design of services provided to a customer.

We are particularly grateful to Ofgem for addressing concerns about the provision of communications in languages other than English - in particular for confirming that providing communications in foreign languages is not strictly necessary. The proposed Licence Condition 26.5(e) would otherwise represent a potentially onerous obligation when servicing customers for whom English is not their first language. We approach each such situation on a case-by-case basis, exploring alternative arrangements and knowing that those customers have different needs. It is refreshing to see that Ofgem acknowledge this approach, and that Suppliers are free to innovate and invest in mechanisms other than a potentially open-ended database of translated communications to service these customers.



Question 3

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

We agree broadly with the final proposals and with the associated proposed licence conditions.

We are pleased to have contributed to the work of the Safeguarding Vulnerable Customers Working Group in their review of the Needs Codes used to share data between suppliers and network operators. We agree with Ofgem's decision to revise the implementation timescale for these needs codes to June 2017 in view of the delays arising from broader industry infrastructure programmes. We would respectfully ask Ofgem to exercise flexibility, where possible, should it need to consider intervention under the proposed definition of "Relevant industry Mechanisms" in circumstances where the June 2017 timescales are not wholly within the control of suppliers.

Working towards the sharing of vulnerability data between suppliers and, ultimately, more widely outside the Industry with other Utilities, is a worthwhile prospect. It sits comfortably with our aim of putting customers first, and putting them in control of their energy by making their journey between suppliers (and indeed beyond) more seamless, and less cumbersome.

We would repeat our comments made at Question 1 concerning the potential systems and reporting impact that a needs-based approach to the PSR might have - particularly the way in which "free-format" data is captured and reported on.

We note that Ofgem have not offered a view on the role of switching sites in the collection and sharing of vulnerability data. Switching sites play a hugely important part in the acquisition of new customers and in the dynamic movement of consumers within the Industry seeking a better deal. We feel there is an opportunity to improve on the quality of data derived from switching sites. Information about the customer's circumstances should be obtained at the very start of their journey. With such



information collected by the switching site, Suppliers would have the opportunity to deliver a much better experience.

We would welcome any influence Ofgem can apply in encouraging switching sites to support the movement of vulnerability data, and in raising awareness of the PSR as discussed below.

Question 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 with the final proposals and with the associated proposed licence conditions. If there is an expectation that information will ultimately be shared between suppliers and across Industries, the use of standard terminology in promoting the PSR would provide a better customer journey between suppliers. We do not feel that this would lead to confusion but, on the contrary, to consistency and better engagement with vulnerable

customers who might already be prone to confusion in an industry flooded with an array of complex information.

The use of consumer groups and other third party advisors to lead on the development of awareness materials will further enhance consistency. As detailed in our answer to Question 3, we would welcome the involvement of Switching Sites in raising awareness of the PSR by reason of their involvement at the very start of the customer journey.

We are pleased that Ofgem has acknowledged the range of possible promotion activity - particularly important for smaller suppliers, and in ensuring that the cost focus is on delivering actions and not simply promoting them.



Question 5

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

We agree with the final proposals, although we note that Ofgem have been unable to offer any specific detail at this stage other than to confirm that such information need not be contained within the Treating Customers Fairly (TCF) statement. We would tend to support the views expressed by some other suppliers that there are more suitable vehicles than the TCF statement.

We hope that you will find our comments helpful, but if we can be of any further assistance, please do not hesitate to contact us.

Yours sincerely,

Malcolm Henchley
Head of Legal Services