

PPM Warrant Response Economy Energy

Question 1: *Do you agree with the outcomes intended as a result of our policy detailed in paragraph 2.4?*

Economy Energy agrees with the policy regarding that any PPM installations are used as a last resort and that all other means and methods to rectify the situation are tried. To date we have not done any jobs under warrant but it is something we are looking at in 2017 and as we are currently re-branding we are looking at all our policies and processes being clear and transparent for customers, We already believe that those in serious and vulnerable situations are protected from the costs and process of any warrant activity.

Question 2: *Do you agree with our preferred option as detailed in paragraphs 2.8 to 2.10?*

Economy Energy agrees in part with Ofgem's preferred option. Although the cap is helpful for customers and the potential charges they face for debt issues, as identified in your risk section, it will leave smaller suppliers open to a loss and therefore the potential need to recoup these losses from the whole customer base. As it stands we forecast that the average warrant process (full cycle) could cost between £400 - £450 leaving a loss between £250 - £350. We therefore think if a cap is to be applied it should be in the realms of £250-£300. This would ensure that customers receive reduced charges for warrants and everyone is consistent and suppliers are not impacted as much which would mean less costs to share across the whole customer base.

We completely agree with the policy of prohibiting installations of PPM for our most vulnerable customer base as this is something we already implement.

We would also like to clarify if the cap of £100 - £150 includes the cost of the meter?

Question 3: *Do you have views on any further unintended outcomes which could be realised in addition to the risks outlined in paragraphs 2.47 to 2.50?*

As mentioned the need to recoup any losses from the cap would likely be gained from the whole customer's base and therefore this would impact vulnerable customers or customers who are struggling financially with their bills (and not in debt) and who we are trying to support. We feel that this contradicts the focus from the industry of protecting these customers from unnecessary additional costs.

Question 4: *Do you agree that the cap should be applied when the warrant process is not completed and that no further detail is necessary? (See paragraph 2.54)*

We believe that there could potentially be situations when the cap should not apply and would want to charge for the full cost. For example; if a customer goes out of his way to block a meter and prevent access and as a supplier we had to hire additional resources to remove the blockade, we would feel that it be necessary to recover all costs.

We would want the ability to charge the full costs in exceptional circumstances.

Question 5: *Do you agree with the proposal for a new debt proportionality principle (as detailed in paragraphs 2.59 to 2.66), in that this would not be limited to warrant activities and would require*

costs and actions relating to ALL debt recovery activities (including transfer objections) to be proportionate? Do you have any views on unintended consequences of this broad scope?

Economy Energy do not agree fully with the debt proportionality principle. As mentioned we agree to having a clear process in place and that all consumers follow the same debt path but we do not agree that in all situations it is fair or practical to only recover up to the original debt. However, we do agree that debt collection should take into consideration the cost of the process and at times the customers' ability to pay and the original debt.

We currently have the option to charge those in debt a percentage on their debt amount and feel that this adheres to the idea that debt collection is proportionate to the original debt and is not disproportionately severe. There are however some cases in which we would be collecting more than the original debt owed, for example, if we ended up in court we would want to recoup all the additional costs of going to court from the customer. We feel that it should be taken into consideration that there will be cases when we cannot abide by proportionality and would be seeking more than the original debt amount.

PPM installation is already a last resort for us and we fully support pursuing other routes to satisfy a debt situation.

We agree that, when possible installing a smart meter would be more effective and useful than a dumb meter and would strive to do this.

Question 6: *Do you agree with our definition of "under warrant" to mean a warrant that would authorise the installation of a PPM. Do you have any views on unintended consequences of this narrow scope?*

Economy Energy agrees with the definition on the term 'under warrant' but we also use the term in other situations such as a legal processes or during the enforcement of a writ.

