

Standards of Conduct for Supplier in the Retail Energy Market – Economy Energy response

Question 1: Do you agree with our proposal to retain a Fairness Test for all the broad principles within the domestic Standards of Conduct? If you do not agree, please provide an explanation in support of your answer.

Economy Energy agree with the retention of the Fairness Test within the Standards of Conduct.

Question 2: Do you agree with our proposed wording for a revised Fairness Test: “the licensee or any Representative would not be regarded as treating a Domestic Customer/Micro Business Consumer Fairly if their actions or omissions give rise to a likelihood of detriment to the Domestic Customer/Micro Business Consumer, unless the detriment would be reasonable in all the relevant circumstances”?

We agree with the new working for the fairness test however suggest a possible amendment to the final few words so that it states ‘*Actions or omissions would not be ‘fair’ where they give rise to a likelihood of detriment, unless the detriment would be reasonable in all customer circumstances*’ rather than ‘*in all relevant circumstances*’

We feel that ‘relevant circumstances’ would be in line with the more customer centric approach Ofgem is taking with the new licence.

Question 3: Do you agree that the changes to the Fairness Test should be made to the non-domestic Standards of Conduct at the same time as the domestic Standards of Conduct?

Economy Energy agree that changes in the non-domestic Standards of Conduct should be at the same time as the domestic.

Question 4: Do you agree with our proposal to remove the all-reasonable steps threshold from the domestic Standards of Conduct? If you don’t agree, please provide an explanation in support of your answer.

During the PBR workshop, it was discussed that the ‘all-reasonable steps’ removes an element for suppliers to measure their activities and processes against. A supplier could demonstrate that they have taken all the necessary steps to resolve an issue or act in the best interest of customers by doing x, y and z. If called upon, suppliers could demonstrate that it had done everything in its power to act responsibly. However, with this removal of ‘all reasonable steps’ it was felt that it would now be harder to demonstrate this as it is now more subjective.

Economy Energy believe that Ofgem will need to be clear and consistent in how they will judge a suppliers non-compliance, as well as being transparent and open when deciding if a supplier’s non-compliance leads to enforcement action or not. As discussed in the consultation regarding SLC 25 we believe being able to understand why a case of non-compliance did not lead to enforcement will aide suppliers in the implementation of the new principle based licence.

Question 5: Do you agree that all reasonable steps should be removed from the non-domestic Standards of Conduct at the same time as the domestic Standards of Conduct?

We agree that changes in the non-domestic Standards of Conduct should be at the same time as the domestic.

Question 6: Do you support our proposal to introduce a broad “informed choices” principle into the domestic Standards of Conduct?

Yes, Economy Energy agrees with this introduction.

Question 7: Do you agree with the proposed drafting of the broad “informed choices” principle we have set out?

Economy Energy agree with the broad informed choices principle and with the rationale behind it. We appreciate Ofgem recognising that customers do not only look at costs when deciding on a supplier or a tariff but also find value in other elements such as renewable energy, discounts and offers, customer service levels and choice of products. We feel that ‘informed choices’ principle incorporates this.

Question 8: What, if any, additional guidance on the domestic and non-domestic Standards of Conduct do you consider would be helpful in light of the changes we are proposing?

Economy Energy would consider it helpful if there central portal with clear sections to act as a ‘go to’ for supplier and include consultations, guidance documents, enforcement cases, licences and regulations. The current site does not allow for clear navigation and we believe that an improved site would allow for better engagement with Ofgem.

Question 9: Do you consider that the “Treating Customers Fairly” statement has a valuable role to play and should be retained as an obligation in the domestic and non-domestic Standards of Conduct? Please provide an explanation for your answer.

Economy Energy believe there is benefits from having and promoting a treating customers fairly statement on our website.

Economy Energy do agree that it is a way for consumers to understand our commitments to them and what they can expect from us but we do not see a great deal of traffic to the specific web page nor do we find it a topic that is discussed during calls or reviews.

However, as social media is evolving, we are finding that potential customers and customers are more likely to use review sites such as Trustpilot or social media accounts such as Facebook or Twitter to look at a supplier’s performance and what they can expect.

Although we are not suggesting that the complete removal of the TCF statement we do not believe that is it as important as it once was and therefore does not need to be a prominent or promoted as it has been in the past.

Question 10: Do you agree with our proposal to include a broad vulnerability principle in the domestic Standards of Conduct? If not, please explain why with supporting evidence.

Economy Energy welcome the inclusion of a broad vulnerability principle into the Standards of Conduct.

Question 11: Do you agree with our proposed definition of ‘Vulnerable Situation’? If not, please explain why with supporting evidence.

We agree with the definition of a 'vulnerable situation' and believe it reflects the changes that came in effect in January.

However, Economy Energy would like for it to be clarified that with the insert of 25C.4 (d) (i) '*implement, review and update processes which are, and continue to be, fit for the purpose of identifying each Domestic Customer in a Vulnerable Situation;*' that Ofgem will recognise that, despite a suppliers best endeavours, practices and processes that there may be incidents in which we may have been unable to identify every vulnerable customer.

Question 12: Do you have any comments on the proposal to amend SLC 5?

Economy Energy does not have any comments regarding SLC5 amendments

Question 17: In a year, how much time (in full-time equivalents/month) on average does your business spend responding to requests for information (RFIs) from Ofgem? How does this compare with the time spent responding to other organisations' RFIs (eg from BEIS, CMA)? Please provide evidence and indicate whether this is half the time or less, or twice the time or more.

Ofgem RFI's account for almost half of the RFI's received by Economy Energy over the past year. The main concern with the RFI's received is that there does not appear to be any communication across teams within Ofgem, which means that suppliers can receive several RFI's at the same time. For example, this year we received four RFI's in January from Ofgem including the large Switching RFI, this RFI and the parallel SLC 25 consultation. Additionally we had a quarterly RFI from Citizens Advice regarding switching data and a BEIS Annual Smart Meter report due. In total, we received seven consultations, with three due to be returned. Alongside this, we had the price cap work for April.

Economy Energy have already given feedback to Ofgem at the Independent Suppliers Forum calling for a more efficient programme within Ofgem to ensure that teams have an awareness of open and due consultations in order to ensure that a supplier does not receive several RFI's at once and attempt to ensure a more evenly distributed consultation process. This would allow smaller suppliers to respond to more non-mandatory RFI's as well as being able to provide more detail. Currently we are unable to respond to all consultations and have to prioritise mandatory RFI's or only provide some feedback.

We also believe that suppliers could benefit from the introduction of a RFI calendar providing an overview of open/due/pending decision and upcoming RFI's.

Ofgem should also ensure they have the correct distribution list for RFI's so that any correspondence is sent to the correct team and/or individuals.