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Dear Andrew

Statutory Consultation: Standards of Conduct for suppliers in the retail energy market - E.ON response

Thank you for the opportunity to comment on the above consultation.

We welcome the changes made to SLC 0.3 d) i (vulnerability principle). The revised wording provides greater clarity for suppliers and we believe it will lead to better outcomes for customers.

We appreciate the changes Ofgem has made to SLC 0.2 (removal of the words 'interpret and apply'). As stated in our response to the January 2017 consultation, 'interpret' is subjective and different parties could interpret it in different ways.

We are disappointed, however, that Ofgem has not changed its stance with respect to 'all reasonable steps'. This takes energy regulation out of line with other comparable regulators such as FCA, Ofwat and Ofcom. We note Ofgem's claim that 'must ensure' will provide greater scope to remove prescriptive rules and thus allow 'more room for suppliers to innovate and compete for consumers' (paragraph 2.32). While we agree that removal of prescription should have that effect, replacement of 'all reasonable steps' with 'must ensure' does the opposite. For example, a supplier might develop an innovative new product but decide not to launch it due to the risk that, despite taking all reasonable steps, they cannot ensure there will be no detriment to customers.

Our views regarding changes to the Fairness Test are unchanged: we refer you to the comments we raised on this issue in our response to the January 2017 consultation.

If you have any queries about our response please contact me using the details above. If you email me, please copy in our mailbox regcomms-external.com, as this is regularly monitored.

Yours sincerely

Tracey Wilmot

Head of Regulation

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