

Dear Sir/Madam

Hi.

I am providing a response on behalf of Iresa Limited to the statutory consultation on the proposed changes to the Standard Conditions of the gas/electricity supply licenses to introduce Condition 0 and 0a and to remove conditions 7B and 25C of both acts and to modify conditions 5, 10, 12A, 14A 21 and 25B of the electricity act and conditions 5, 10, 12A, 14A and 25B of the gas act.

In response to the removal of 25C.3, we agree that the old definition of unfair, particularly actions or omissions which “*significantly favour the interests of the licensee*”, was detrimental to a suppliers freedom to innovate and may have helped to stunt the growth of small suppliers. We welcome the removal of this condition.

In response to the addition made in 0.3biv., in contrast to 25C.4b, we agree that this is a more suitable definition of fairness in these regards.

In response to the addition made with 0.3d, we believe that there is not enough support for small suppliers to identify vulnerable customers and would like to see more guidance or the creation of a service for small suppliers to allow them to identify such customers/distinguish them from gamers and “won’t pay” customers, similar to the Ombudsman’s role in providing a second opinion on complaints. We argue that this should be focused on small suppliers as they are less likely to have in place the resources and business processes to address these problems efficiently themselves. We have also raised this issue in response to the statutory consultation on the proposed changes to the PPM warrant application regulations and argue that since this consultation is in response to prior failures, more guidance will be needed from Ofgem or an appropriate third party, particularly for smaller suppliers.

In response to the revision of the fairness test in 0.9, we agree that these are more suitable definitions for fairness that will not impede the growth or innovation of any supplier. We argue that the definitions for “*Vulnerable Situation*”, are too vague and will require clarity, including case studies. We also argue that since many cases will be unique, this definition is not adequate for guidance and a more rigorous guidance approach is needed.

We offer no feedback on condition 0A except for where it applies to similar subconditions of condition 0 and ask that this feedback is duplicated onto the relevant parts of condition 0A.

In response to the alterations to condition 5 and the removal of duplication conditions, we agree that this will generally enable a more effective monitoring of the market but urge Ofgem to consider the burden placed on small suppliers in particular by an increase in information requests and ask that Ofgem keeps this under consideration as these new changes are brought into effect.

Kind Regards,

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☎ *None currently. Please email me and I can arrange to ring you.*



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