

Andrew Thomsen  
Future of Retail Regulation Team  
Consumers and Competition  
Ofgem  
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20 July 2017

Dear Andrew,

**STANDARDS OF CONDUCT FOR SUPPLIERS IN THE RETAIL ENERGY MARKET:  
STATUTORY CONSULTATION**

Thank you for the opportunity to respond to the revised proposals for the domestic and non-domestic Standards of Conduct and the draft licence conditions.

We are committed to achieving the Standards of Conduct and putting customers at the heart of our business activity and are generally supportive of Ofgem's proposals to amend the Standards of Conduct to encourage suppliers to focus on consumer outcomes, rather than the steps they take to achieve the Standards. We are also supportive of the inclusion of both a broad "informed choice" and "vulnerability" principle within the domestic Standards of Conduct as we think this greater visibility will be helpful for suppliers in understanding their obligations, particularly in the case of new entrants.

As we have previously stated, while there is naturally nervousness around the removal of "all reasonable steps" licence drafting within both the domestic and non-domestic Standards of Conduct, Ofgem's clarification on how it plans to monitor compliance with the Standards is helpful. We agree that Ofgem's approach, as clarified, better aligns with the wider move to principles based regulation and the focus on the outcomes customers receive rather than the processes a supplier has in place.

We think that Ofgem's proposed approach to operating under the revised Standards of Conduct framework is sensible. We agree that additional guidance is not required and welcome Ofgem's intention to provide examples of "good practice" and "lessons learned". We also welcome the planned review of the Enforcement Guidelines later this year, and the intention to clarify how Ofgem will treat situations of non-compliance – and, in particular under what circumstances it would be more likely to open an enforcement case. It would be helpful to understand how Ofgem intends to disseminate the good practice and lessons learned, for example would they be published on Ofgem's website?

We welcome the drafting amendments proposed by Ofgem to the revised Standards of Conduct which, alongside some clarification points within the consultation document, address the main concerns we raised in our response to the January 2017 policy consultation. In particular the clarification in paragraphs 2.55 and 2.56 as to when Ofgem considers the "informed choices" principle requires information to be provided to customers is helpful.

We agree with the changes Ofgem are making to move broad principles to the start of the licence conditions. This will ensure that the principles that apply across all parts of a supplier's interaction with a customer are more prominent, which will be helpful, particularly for new entrants. Ofgem has also previously suggested a more radical reordering of the licence conditions to align it more closely with the customer journey, and providing links within the conditions themselves to related guidance or policy documents to ensure stakeholders have easy access to all relevant documentation. We are supportive of this, and recognise that the work is likely to take place on a phased basis as Ofgem's Future of Retail Regulation work programme progresses. Is it therefore Ofgem's intention that the proposed SLC 0 and 0A numbering for Standards of Conduct is only an interim approach and that a full renumbering will take place at a later stage?

Finally, we are supportive of Ofgem's amendments to remove the restrictions in SLC 5.2(a) about its market monitoring activities, given the uncertainties around the scope of its powers following the 2011 changes. We also welcome the proposed deletion of a number of other licence conditions which we agree would be duplication under the amended SLC 5. We recognise Ofgem's clarification in paragraph 3.5 and 3.6 that these changes should not lead to a significant increase in the volume and scale of information sharing between suppliers and Ofgem, unless a supplier's activities were raising concerns with Ofgem. However we ask Ofgem to continue to consider the burden on suppliers when issuing requests for information.

Should you wish to discuss any of the above points please contact me, or contact Rhona Peat ([rhona.peat@scottishpower.com](mailto:rhona.peat@scottishpower.com)) on 0141 614 1165.

Yours sincerely,

A handwritten signature in blue ink that reads "Rupert Steele". The signature is written in a cursive style and is positioned above a horizontal line.

**Rupert Steele**  
Director of Regulation