



*(by email)*

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Dear Andrew,

**Statutory consultation: Standards of Conduct for suppliers in the retail energy market**

Thank you for providing SSE with the opportunity to comment on the Standards of Conduct for suppliers in the retail energy market statutory consultation.

We remain supportive of Ofgem's commitment to relying more on principles in the way it regulates the energy market, and in particular Ofgem's proposal to introduce vulnerability within the Standards of Conduct. We firmly support all measures that seek to improve the outcomes for vulnerable consumers within the energy market. It is entirely appropriate that suppliers take accountability for protecting and empowering consumers in vulnerable situations.

SSE is encouraged by the collective approach that Ofgem has adopted throughout the consultation process, in particular Ofgem's decision to publish a working paper. We also welcome Ofgem's ongoing approach towards proactively engaging with the industry at various workshops and bilateral meetings.

SSE has previously raised concerns with Ofgem's proposals to amend the Fairness Test and remove the 'all reasonable steps' compliance threshold from the domestic and non-domestic standards. Whilst some of our concerns remain, we are grateful for Ofgem's commitment to



reviewing its approach to opening investigations later this year<sup>1</sup>. We would strongly recommend that Ofgem extend the scope of this review to consider its wider approach to the management of potential compliance issues. SSE continues to believe that positive consumer outcomes will be more achievable through collaborative and transparent engagement between the regulator and market participants. We have provided Ofgem with our view on an acceptable approach that will deliver additional benefits.

We also advocate the introduction of a process where compliance discussions and outcomes, that would not otherwise be available to the wider industry, are made available to improve supplier behaviour and help deliver better outcomes for consumers. It will also provide suppliers with an additional element of regulatory certainty when it comes to Ofgem's expectations. We therefore welcome Ofgem's commitment to seeking to provide greater transparency. SSE is hopeful that Ofgem will consider consulting on this policy as part of a wider review of the Enforcement Guidelines so it is clear to suppliers when Ofgem will consider utilising this approach.

In relation to the broad 'informed choices' and vulnerability principle, SSE raised concerns in our previous consultation response as to the additional level of expectation. We are pleased note that Ofgem has provided further clarification within the consultation document. SSE will seek to engage with Ofgem as it develops its plans and proposals under each principle.

In summary, SSE is supportive of Ofgem's wider transition to principles-based regulation and the extensive consultation and engagement Ofgem has committed to so far. We would welcome this approach being used again in the future. We are optimistic that Ofgem's proposed review of the Enforcement Guidelines will continue to follow this approach and provide suppliers and other market participants with the regulatory certainty required in order to make principles-based regulation a success and deliver the best possible outcomes for consumers.

Please do not hesitate to get in touch should wish to discuss any aspect of this response in more detail.

Kind regards

Steven Findlay  
**Regulation**  
**SSE**

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<sup>1</sup> Statutory consultation: Standards of Conduct for suppliers in the retail energy market – page 18, paragraph 2.36