



James Crump
Ofgem
Canary Warf, London
E14 4PU

Name: Andy Baugh
Phone: 07989 493361
Email: andy.baugh@npower.com

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Supplier Guaranteed Standards of Performance for Switching: Way Forward Open Letter

Dear James,

Thank you for the opportunity to respond to this open letter and for the call to discuss our queries. Whilst the call was very helpful in confirming our understanding of the low level requirements, we do still have concerns around the policy proposals, and have listed our main concerns below.

Energy Switch Guarantee (ESG): we do feel the proposals undermine the ESG and the principles it stands for. Instead of instant mandation we would prefer these types of proposals to be initially tested by the industry to gauge their value and impact. ESG would be an ideal forum to perform this test and evaluation.

Compensation amounts: we agree that where we are solely at fault and have caused distress to a customer then some form of compensation should be paid. However, we do not agree a set £30 amount is appropriate. Examples we provided in our original response include a low credit being sent one day late and a switch taking 22 days instead of 21. We believe a payment left to supplier discretion at an amount appropriate to the level of distress would be a better solution.

Payments to the customer: in our original response we asked Ofgem to consider the option of the losing supplier transferring payments to the gaining supplier so the customer only has one supplier to contact. The open letter dismisses this option but we do not feel it has been fully assessed. We would request this option to be reconsidered and assessed to understand practicality and benefits.

Risk to the market stability: regulatory interventions are increasingly being called out as a concern and we believe the GSOP proposals will place many suppliers at risk. There have been nine Supplier of Last Resort events in 2018 and the proposals will inevitably lead to an increase in future Supplier of Last Resort occurrences.

To summarise, we understand the intent and reason why Ofgem would look to implement these proposals. However, we do not feel Ofgem have chosen the correct solution so would urge Ofgem to reconsider the proposals. We would be keen to discuss this further with Ofgem to determine the most appropriate solution.

Yours sincerely,

Andy Baugh
Future Regulatory Developments Manager

Npower

Npower Group plc
Trigonos
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

www.npower.com

Registered office:
Npower Group plc
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

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