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By Email Only

OVO Energy is the largest independent energy supplier in Britain. Founded in 2009 by entrepreneur Stephen Fitzpatrick, OVO Energy redesigned the energy experience to be fair, effortless, green and simple for all customers. Today, OVO Energy is a progressive energy company that serves more than 850,000 retail energy customers, striving to deliver clean, affordable energy for everyone. Our core values encompass fair pricing, top customer service, clear and simple information, and innovative technology to make managing energy easier.

OVO Energy welcomes the opportunity to comment on Ofgem's call for evidence on self-disconnection and self-rationing. In order to ensure that the most vulnerable customers receive protection, OVO believes that Ofgem should ensure there is a clear definition of both vulnerable, and disengaged. OVO would like to stress that financial vulnerability and vulnerability are not interchangeable concepts and further work between the Department for Business Energy and Industrial Strategy (BEIS), Government, and Ofgem is required to define how these concepts interact and to whom they are trying to afford protection.

We have provided detailed answers and evidence to the call for evidence below.

***Q1: Are there any categories that we have not captured in Table 1? We welcome views and evidence on the main causes of self-disconnection and groups of customers who are more likely to self-disconnect and experience detriment.***

OVO Energy thinks that Ofgem have captured a wide range of categories which may lead to customers self-disconnecting. We believe Ofgem should now look at how these can be mitigated and would like to propose the below solutions:

- **Customer Education** - Customers may lack an understanding of prepayment meters particularly when moving into properties without having any prior experience of managing prepayment meters. OVO Energy's data shows these customers are also less likely to be aware of various support mechanisms available to them such as discretionary credit. We think suppliers are currently trying to educate their customers but believe more can be done by landlords and housing associations who can provide customers with necessary information on both the support available and basic functioning of prepayment meters.
- **Smart Metering**- OVO Energy firmly believes that many of the self-disconnection causes can be mitigated by the installation of Smart meters. The new technology will enable for a much smoother customer journey and will ensure suppliers can tailor their products and support much more accurately.

***Q2: We seek views and evidence on how self-disconnection and self-rationing is being monitored for customers on traditional PPMs. We welcome views on how effective current practices are.***

OVO Energy tries to monitor self-disconnection customers on traditional meters where possible and support customers accordingly. However, due to issues with data availability we are not able to have visibility of a wide range of customers who self-disconnect and do not self-identify. This is largely driven by poor quality industry data flows. We think the issue will likely be mitigated by the Switching Programme and introduction of Smart meters.

Furthermore, OVO Energy has also noticed a pattern of customers who deliberately self-disconnect their gas supply during the summer as a way of self-rationing. These customers usually do not know their standing charges accumulate during the warmer months and have a 'bill shock' once they are required to pay back the increased funds. We try and support these customers where possible via financial and educational support, but believe more can be done by the industry to raise awareness of the issue.

**Q3: We seek evidence of examples where PPM customers were at risk of self-disconnection or who self-disconnected for affordability and/or operational and/or forgetfulness reasons, the impact on these customers, and how the situation was resolved.**

OVO Energy have outlined key areas of concern in 'Table 1'.

**Table 1**

Reason for self-disconnection	Impact on customers	Resolution
<i>Smart Meter Installation (Operational)</i>	Customers are disconnected inadvertently as their credit is refunded instead of transferred to their Smart meter.	Customers are advised upon a Smart installation on the need to top up and refund timescales.
<i>Re-connection of traditional meters (Operational)</i>	Customers may need to wait to be-reconnected due to imitations of industry data flows.	Smart meters will eradicate the issue in the long-term as customers can be re-connected immediately.

**Q4: We seek views on what great support service looks like for customers at risk of self-disconnection or who self-disconnect. We welcome examples of supplier good practice in dealing with self-disconnection and self-rationing.**

OVO Energy knows of a a number of examples of suppliers supporting customers, for example, reaching out to Priority Services register customers who have not topped up in awhile during the colder months. We think there is scope to do much more by installing more Smart meters which will enable better visibility of customers who require support as well as allow for more tailored propositions.



***Q5: We welcome views from all stakeholders on the emergency, friendly, and discretionary credit functions. How well do you think these features work?***

OVO Energy thinks that both emergency and discretionary credit are intended to be short-term solutions. However, due to lack of clarity by industry and drive to support customers the use of these has been distorted. Many suppliers, including OVO, are trying to tackle wider long-term social issues i.e. transition to Universal Credit by use of discretionary credit. That being said, we would welcome Ofgem developing a more robust approach to supporting customers who are in long-term issues due to social policy concerns.

***Q6: We welcome examples of any recent good practice examples on steps taken to provide sustainable support to PPM customers who self-disconnect and/or self-ration.***

OVO Energy has recently launched a prepayment customers support scheme called 'Winter Wallet' which is the first of its kind and will allow sustainable support to prepayment customers. The Winter Wallet works by allowing customers to set up a savings pot that can be added to every time they top up. Over the summer months, when energy usage is less, customers can add money to the savings pot to help even out the amount they pay over the year. Customers can set a savings target which if met by 8th November will give them an energy credit worth 5% of their target as a bonus. This means if a customer's target was £100 they would get an additional £5 added to their Winter Wallet regardless of when they had signed up.

***Q7: We welcome views on how you perceive the collaboration between stakeholders should operate and what type of organisations you believe will play a central role in this process.***

OVO Energy believes more can be done by suppliers collaborating as well as cross-sector collaboration. We think there is broad scope for utility company collaboration. We would particularly welcome exploring the exchanging of vulnerability and financial hardship data across sectors. Such an exchange of information would



enable a much smoother customer journey and customers who may be disengaged from one sector not the other are still adequately protected.

Additionally, our experience shows that only engaged customers identify as PSR and vulnerable which means a high-proportion of customers are not aware of supplier and Government run support schemes which they may be eligible for. That being said, we believe there is sufficient existing data which could mitigate some of these issues. The Department of Work and Pensions ( DWP) already holds benefits data which is used as a proxy for vulnerability under the Warm Home Discount scheme. We think this data could be used by utility companies to identify their vulnerable customers and provide necessary support via tailored communications and prepositions. If DWP were to have an industry wide tracker this could be used by suppliers, utility providers and DNOs to have up to date information on their customer base and remove the need to rely on customers being engaged and self-identifying as vulnerable .

If you have any further questions please do not hesitate to contact [policy@ovoenergy.com](mailto:policy@ovoenergy.com)

Kind regards,  
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*Regulatory Lead*