



General comments

In the legal text can Ofgem please specify where "days" is written whether this is calendar or working days.

We do not consider that a compensation payment of £30 is proportionate in all instances, for example a customer experiencing a delay in switching of a single day does not experience the same amount of detriment as a customer who has been erroneously transferred. £30 compensation for a delayed switch is a disproportionate and unreasonable amount, considering the actual detriment caused is very little.

Ofgem advise at paragraph 4.83 that a final bill should be issued so that it reaches the customer within six weeks, if being sent by post. Not only is this a higher standard than current licence obligations, the legal text does not reflect this requirement, referring only to issuing the bill within six weeks.

Similarly, for existing standard 6D, again the credit refund must be dispatched in "*good time such that the customer will receive the refund within 10 working days*". This is more stringent than the licence obligation and we would argue that it is not reasonable for suppliers to be held to this higher standard. As this was a change made in the final version of the legal text, we have had no opportunity to raise this previously. We would urge Ofgem, for both of these Standards, to align with the existing licence obligations.

We provide answers to the specific questions below.

Question 1: Do you agree with our assessment that the likely costs and logistical difficulties of implementing an allocation of compensation on a case by case basis would be likely to outweigh the benefits? If not, why not?

Yes, allocation of compensation on a case by case basis would be disproportionate and unduly onerous, in consideration of the fact that in most cases it is one party that can influence the outcome to a greater extent than the other.

Question 2: Do you agree that gaining suppliers only should bear responsibility for making compensation payments under Guaranteed Standard A? If not, why not?

Yes, E.ON agrees that the gaining supplier has much greater influence over switching timescales so should be responsible for making compensation payments.

Question 3: Do you agree that measuring Guaranteed Standard A from the receipt of sufficient information to ensure that a contract has been entered into by the customer and to identify the relevant meter points to which the switch relates allows enough opportunity for a gaining supplier to effectively validate the switch? If not, why not?

Yes, this should allow sufficient time for the gaining supplier to effectively validate the switch. However, there is a risk that "sufficient information" is interpreted by each supplier differently meaning it is not consistently applied across the industry; with some suppliers allowing a more generous timeframe for validation than others. We would suggest that aligning this Standard to existing Standard 6A and allowing 21 working days from the contract agreed date would achieve the same aim; suppliers would have ample time to carry out additional validation or deal with issues

without the ambiguity of "sufficient information". The two Standards being aligned would be much less confusing for customers.

There are currently three different interpretations of the starting point for switching calculations, two of which are from Ofgem: The Supply Licence and Market Monitoring reporting, then there is the Energy Switch Guarantee. Ofgem should align these otherwise there will be several iterations of switching performance across the industry, which is confusing both for suppliers and customers. For example, due to the differences in reporting the same switch could appear in market monitoring reports as taking more than 21 calendar days, but compensation under the proposals would not need to be paid.

Question 4: Do you agree that gaining suppliers will be able to measure when sufficient information is received for the purposes of reporting on Guaranteed Standard A? If not, why not?

Yes, gaining suppliers should be able to measure this, however as per our answer to question three, interpretation of "sufficient information" will vary from supplier to supplier.

Question 5: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard A? If not, why not?

Yes, E.ON agrees with the proposed exceptions and exemptions.

Question 6: Are there any other reasons for failing to complete a switch within 21 days which could warrant an exemption from paying compensation under Guaranteed Standard A?

We would propose that the exemptions that are currently allowed for in Standard License Condition 14a should also apply to Standard A. This will also align with the market monitoring report.

In addition, a switch can take longer than 21 calendar days when there are multiple bank holidays in close succession, for example at Christmas or Easter. Having up to three additional non-working days, within the registration period when industry flows are not processed on non-working days, can send switches initiated on certain days over 21 days and this is outside the control of a supplier. In 2015, Faster Switching implemented "17" day switching. This is made up of a 14-day cooling off period, then three working days to complete registration. It is in this three-day period that additional non-working days has an impact, and any additional time allowance for upfront validation of the switch does not mitigate this.

Ofgem has specifically allowed an exemption for when a switch is delayed due to a previous supplier transfer being processed at the same time, in relation to the same metering point. We believe this exemption should be extended to any industry rejection, as these all delay the switch whilst action is taken to resolve the reason for the rejection.

Question 7: Do you agree that suppliers implementing the Debt Assignment Protocol should not be exempt from making compensation payments if they fail to complete a switch within 21 days? If not, why not?

Delays resulting from the implementation of the Debt Assignment Protocol ("DAP") would initially be exempt by way of 2c) under Standard A, as the DAP process begins with an objection being raised. If the debt is accepted and switch re-commenced, we would expect that the 21 days would start from receipt of the flow confirming this. If this is not the case, then Ofgem should allow an exemption for DAP as the overall process is likely to take longer than 21 days.

Question 8: Do you agree with our proposal that responsibility for compensation under Guaranteed Standard C should be borne by gaining suppliers only? If not, why not?

Yes, E.ON agrees.

Question 9: Do you agree that the trigger for making a compensation payment under Guaranteed Standard C should be the agreement between suppliers that a switch was undertaken with no valid contract in place? If not, why not?

Yes, E.ON agrees.

Question 10: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard C? If not, why not?

Yes, E.ON agrees and for clarity has understood that all Customer Service Returners are exempt and will not require a compensation payment.

Question 11: Are there other reasons under which a supplier should be exempted from making a compensation payment under Guaranteed Standard C?

Ofgem should include an exemption for Erroneous Transfer scenarios. Whilst E.ON acknowledges Ofgem's view that in an Erroneous Transfer scenario, where a customer has selected an incorrect address, that it is not the fault of the customer who gets switched, neither is it the supplier's and we still consider it unfair that suppliers are responsible for paying compensation in this scenario.

Question 12: Do you agree that responsibility for compensation for issuing a final bill after six weeks should be borne by losing suppliers only under Guaranteed Standard E? If not, why not?

Yes, E.ON agrees

Question 13: Do you agree with the proposed exceptions and exemptions which we have applied to Guaranteed Standard E? If not, why not?

Yes E.ON agrees.

Question 14: Are there any other reasons for failing to issue a final bill within six weeks which warrant an exemption from paying compensation under Guaranteed Standard E?

We remain resolute that issuing a final bill to an estimated read, then rebilling once an industry read is received to comply with Standard E is not the right outcome for customers. Doing so would result in the customer receiving multiple bills, possibly going from being in credit to being in debt. This is confusing and arguably causes greater detriment than waiting a little longer for the bill, believing that the account is settled and closed when it may not be. In addition, for suppliers this will create an increase in contact demand and lead to more debt being written off, the cost of which has not been accounted for within the Impact Assessment. We believe that accounts going through the missing read process should be exempt from the requirement to pay compensation.

Sometimes the situation arises where a customer does not notify us on a change of tenancy and the first time we become aware of this is when a new tenant informs us that they have moved in. In this situation, we would backdate the change of occupancy, and this then makes the timeframe for sending a final bill to the previous occupier much shorter, if the six-week period hasn't completely passed already.

Similarly, we are not always made aware that a site has been disconnected until much later, potentially where there has been a demolition and we only become aware when a new MPAN or MPR is requested.

Both of these scenarios are outside a supplier's control and therefore should be exempted from a compensation payment, in both of these situations we would send the final bill as soon as possible following the conclusion of the appropriate processes and/or receipt of all the information required.

Additionally, we would propose that bills with overseas addresses should be exempt due to the amount of time it may take for the bill to reach the customer.

Ofgem states that exemption 7D (exemption from making an additional standard payment, if after reasonable endeavours a supplier is not able to locate the customer) only applies to Standard C. This exemption should also apply to Standard E and existing Standards 6B and 6D, as a relationship does not exist with the customer here either. If Ofgem does not follow this approach it must explain why exemption 7D only applies to Standard C.

Question 15: Do you agree with our assessment that it would not be proportionate to implement an open-ended requirement to pay compensation for enduring issues of detriment? If not, why not?

Yes, E.ON agrees

Question 16: Would changing reporting requirements to allow Ofgem to collect data on the time taken to issue final bills or repay credit balances present a significant additional cost when compared with the current requirements?

Although any change to reporting requirements would result in an additional cost, we do not believe it would be a significant cost to allow Ofgem to collect this data. However, the overall cost of all the reporting currently required by Ofgem is significant, especially at a time when suppliers are operating in a challenging financial environment as a result of the price cap and distorted competitive environment with competitors pricing unsustainably and going out of business. Ofgem should align reporting requirements wherever possible to reduce the burden on suppliers having to produce multiple reports, or continuing to produce reports, where the information is no longer required. For example, final bills and switching performance is already reported in Market Monitoring reporting. Ofgem advised in 2017 that market monitoring reporting was being reviewed with the intention to simplify, and potentially eliminate, several existing market monitoring reports. We are still waiting for this review to be completed, so suppliers continue to send these reports some two years later.