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By email: switchingcompensation@ofgem.gov.uk

Dear James

Consultation on the introduction of further Guaranteed Standards and Automatic Compensation

Shell Energy Retail Limited (**SERL**) is pleased to have the opportunity to comment on the consultation proposing the introduction of further Guaranteed Standards.

We welcome the creation of the Switching Compensation Workgroup to bring together the industry and Ofgem to have open dialogue to attempt to provide a consensus on a better approach to implementing Guaranteed Standards. We agree with the determinations of the working group in that processing compensation payments on a case by case basis would be too complex for individual suppliers to manage and also Ofgem to regulate. We are confident the changes reflected in this consultation offer a more equitable view of the current situation and will penalise suppliers who are responsible for consumer detriment when switching. We therefore agree with Guaranteed Standard C (**Compensation for Erroneous Switches**) with no further comments.

We remain concerned about the increase in final billing to estimated meter readings for Guaranteed Standard E (**Compensation for Issuing Final Bills**). We would welcome a review in the future with an associated impact assessment to assess the potential increase in disputed reads and detriment to consumers if this Guaranteed Standard is implemented. We would welcome a further exemption which includes customer disputing final reads prior to the issuing of a final bill. This would be particularly useful where two consumers dispute the final / opening reads for Change of Tenancy (**CoT**) disputes.

The drafting of Guaranteed Standard A (**Compensation for Delayed Switches**) in its current format will have impacts on consistency of reporting more widely across the industry. It is important that all suppliers apply the Guaranteed Standards consistently to ensure all consumers benefit where a switch takes longer than 21 calendar days and



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any interpretation is removed. We note that there will be a challenge for all suppliers to measure this consistently as the term “sufficient information” will be open to interpretation.

There will be some circumstances where a gaining supplier will immediately have all sufficient information to enter into a contract but not complete the switch within 21 calendar days or prevent erroneous switches when new information is presented. These challenges relate to switching activity that cross into a bank holiday period. Easter and Christmas contain two Bank Holidays and it would be virtually impossible to complete the switch in time or process a registration objection to prevent erroneous switches where other industry participants are not available. It is more important to switch accurately or prevent erroneous switches for the purpose some switches being one or two working days later than expected.

Under the current reporting of Guaranteed Standards we would classify these incidents as failures. However, the Energy Switch Guarantee scheme uses working days and performance would not be impacted as “Valid Exceptions” are not considered failures. Further analysis of other reporting obligations is required to ensure all reports remain consistent. Such inconsistencies in reporting would only confuse customers when attempting to make an informed view on a supplier. These issues could deter consumers from switching in extreme cases. We propose changes to the drafting of calendar days to working days to address some of these issues.

Please do not hesitate to contact me directly for any further information relating to the implementation of Guaranteed Standards and Automatic Compensation.

Yours sincerely

Carl Whitehouse
Senior Policy & Regulation Manager