



Ofgem Consultation: Proposals to improve outcomes for consumers who experience self-disconnection and self-rationing

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ENGIE improves lives through better living and working environments. We help to balance performance with responsibility, enabling progress in a harmonious way.

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Overview of the consultation

The short response time available for this consultation, especially over the end of the summer has made this difficult to provide a fully informed response incorporating all concerned parties.

Engie Response

Question 1: Do you agree with our proposal to require suppliers to identify prepayment self-disconnection and the associated proposed license conditions?

In essence, Engie agree that suppliers should be able to monitor for self-disconnection, however, feel that this could be split into two criteria, one for SMART meter customers and one for Traditional meter customers. Where customers are on SMART meters the information is instantaneous and can be managed effectively, for Traditional meters this can take several days due to flows and the issue could be resolved prior to contact.

Question 2: Do you agree with our proposal to require suppliers to identify self-rationing and the associated proposed license conditions?

Where referring to self-rationing, the inclusion of the wording "all payment methods" makes this section of the draft unattainable, unless a large population of a supplier's portfolio are contacted where drops in energy consumption are visible. These drops could be in relation to children leaving home/going to university, life changes, increased insulation within the property, a multitude of possibilities not only financial difficulties. To have to make all reasonable steps to monitor ALL customers usage in this manner is unrealistic and would push up costs to the supplier, which could ultimately be passed to the consumer. Contacting a customer who isn't in a position of self-rationing or making contact proceeding any issues because their usage has fallen could lead to an increase in dissatisfaction and an increase in complaints.

Question 3a: Do you agree with our proposal to require suppliers to offer emergency and friendly credit functions for all customers?

As most suppliers already provide emergency and friendly hours for electric prepayment meters to varying degrees within the industry, Engie believe the availability of credit should be in place for all prepayment customers to ensure there's no detrimental effect when transferring a supply. This should remain as electricity only.

This functionality is beneficial to the customer where it's within a maximum manageable amount for the customer to pay back in one go preventing a further build-up of debt. Where this isn't the case this could detriment the customer further potentially increasing their debt position or exasperating self-disconnection periods or discretionary credit payments.

Customer accounts will need to be monitored on a case by case basis to ensure that the customer doesn't have a propensity to remain within their emergency and friendly hours, in these circumstances the supplier may need to provide communications to offer additional support and energy saving solutions. However, until customers are on SMART meters the current infrastructure hinders this intervention as information isn't instantaneous.

Question 3b: Do you agree with our associated proposed license conditions?

For prepayment customers who are self-disconnecting, Engie believe that the draft licensing condition is acceptable as all reasonable steps should be mitigated and we already offer both emergency and friendly hours to our PPM Electricity customers.



Question 4a: Do you agree with our proposal to require suppliers to offer discretionary credit for customers in vulnerable circumstances?

Where offering discretionary credit to customers who are already in financial difficulties puts a customer into a further debt position that they cannot afford, this isn't a benefit to the customer. Discretionary credit should be offered on a case by case basis, looking at the customers history and the current circumstances. By stating in the drafting of the SLC's that this is a Must, goes against the breathing space requirements and what's beneficial to customers. Customers should be encouraged to obtain debt management counselling in addition to any support offered by the supplier.

The wording within the drafting by referring to this as a short-term loan, also muddies the waters with FCA regulations with could encompass further costs, with no cost impact assessment completed within this consultation.

Question 5: Do you agree with our proposal to incorporate the Ability to Pay principles in the supply license?

Suppliers should be following the Ability to pay principles without the need for them to be in licence, by adding them into the licence shouldn't provide any additional criteria on the supplier. As these are followed to ensure we treat of customers fairly, they are already there.

Where suppliers aren't currently following these, the customer could be inadvertently detrimented.

Question 6: Do you agree with our proposal to update the Ability to Pay principles to reflect changes in supplier debt recovery practices? Are there other changes that we should implement?

There isn't a lot of information within the consultation as to what these changes would be and how they would be met, so this is difficult to effectively answer.



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