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Dear Ms Cosac,

The issue of self-rationing and self-disconnection amongst energy consumers is a significant and persistent one – especially so for consumers in vulnerable circumstances. Subsequently, we welcome Ofgem’s proposals to strengthen protections for these consumers.

By requiring suppliers to take all reasonable steps to ensure that consumers self-rationing and self-disconnecting are identified – and by formalising emergency, friendly and discretionary credit provision and formalising the Ability to Pay principles by incorporating them within the supply license– the proposals put forward in this consultation will give Scottish consumers much greater protection within the supply market while helping to empower them.

Consumer fairness is a key priority for the Scottish Government. In January 2018, we ran an energy summit for large energy suppliers, Ofgem and other stakeholders. One of the key aims of this event was to address the issue of self-disconnection in the energy supply market. Since then, we have committed under our Energy Consumer Action Plan to working closely with Ofgem and the UK Government, to drive better outcomes for consumers in vulnerable circumstances in the evolving energy market.

We urge Ofgem to take stock of the slower pace of the smart meter rollout in Scotland – especially considering the current BEIS prediction that only 55% of smart meters will be installed GB-wide by the end of 2020. We are concerned that identifying self-rationing and self-disconnecting using smart meter data will be more challenging in the immediate future. This situation is exacerbated by the comparatively high number of prepayment meters in Scotland. Furthermore, the technical limitations of non-standard meter types (much more prevalent in Northern Scotland than the rest of GB) expose consumers in vulnerable circumstances to increased levels of detriment. Households using these meters pay more for their energy and experience a much reduced selection of tariffs available with self-disconnection and self-rationing standing as a persistent risk. We ask that Ofgem considers these challenges and would welcome a discussion about how it plans to ensure a level playing field for Scottish consumers.

We look forward to continuing to work closely with Ofgem to deliver a fairer energy market for all energy consumers with a focus on consumer in vulnerable circumstances.

Kind regards,

Peter Brearley
Energy Policy Adviser