

Arina Cosac
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

24 August 2020

Dear Arina,

Statutory Consultation - Self-disconnection and self-rationing final proposals

Thank you for the opportunity to respond to Ofgem's statutory consultation on proposals to improve outcomes for consumers who self-disconnect, self-ration and struggle to pay their energy bills.

We are supportive of the aims of Ofgem's proposals, namely to improve outcomes for customers who self-disconnect, self-ration and struggle to pay their energy bills including to provide customers with a consistent level of support regardless of their supplier.

We have reviewed the draft licence conditions and are comfortable that these reflect the intent of Ofgem's proposals and we have no further comments to raise in this regard. We recognise that Ofgem has taken on board feedback from suppliers in a number of areas in response to the August 2019 policy consultation which we welcome.

We would in particular highlight the following wider points regarding Ofgem's future activity in this area, both in monitoring supplier actions, and for any future policy activity in this area, including as part of the Vulnerability Strategy 2025, or jointly with BEIS for example through the joint Future Retail Market Review.

- We welcome the decision not to introduce an obligation on suppliers to proactively monitor for instances of self-rationing. As we previously highlighted to Ofgem, while we recognise the risks to consumers of self-rationing, it is much more challenging for suppliers to proactively identify self-rationing and we believe it would require significant historic data and incur significant costs.

We understand Ofgem's continued concern regarding customers self-rationing and think at this point Ofgem's decision to continue to monitor supplier activity is sensible. We would however welcome further clarity from Ofgem of how it intends to undertake the intended monitoring. We would also reiterate that if Ofgem does proceed with further proposals in the future, then it is important that a full consultation including an impact assessment is undertaken to ensure the full costs and benefits can be considered.

- We also welcome Ofgem's recognition that there are circumstances where it may not be appropriate for suppliers to provide direct financial support to customers, and that alternative support options, particularly those from third party organisations, may be the more appropriate option. We do however think that more could be done across industry to tackle the wider issue of long-term financial vulnerability and to recognise the roles of third parties in supporting customers. As we have previously noted, suppliers cannot bear all the responsibility for supporting customers struggling to afford their energy, and we think that broader engagement is needed across Government (national and local) and consumer bodies, as well as Ofgem and suppliers, to ensure the most appropriate outcomes can be achieved for consumers.

If you have any comments or queries on any aspect of this response, please do not hesitate to contact me.

Yours sincerely,



Richard Sweet
Head of Regulatory Policy