

24/08/2020

Item particulars on PPM Consultation highlighted by Shell Energy as part of Energy UK Vulnerability & Debt group; -

### **Guidance on smart meter self-disconnection**

Energy UK calls for further clarity from Ofgem on the definition of “smart meter self-disconnection,” as well as clear guidance on how a supplier ought to deem a smart meter customer to be truly self-disconnected. We feel it is important to differentiate between a technical smart meter self-disconnection considered non-urgent (e.g. the customer has forgotten to top up but will do so by the end of the day) and a genuine smart meter self-disconnection considered urgent (e.g. the customer is delaying topping up as a result of financial pressures).

### **Removal of “on an ongoing and continuous basis”**

SLC27A.1 states that *“where a Domestic Customer uses a Prepayment Meter the licensee must take all reasonable steps to identify on an ongoing and continuous basis, whether that Domestic Customer is Self-disconnecting.”* Energy UK understands the intent behind this license condition to be the reduction of harm to vulnerable customers. Consequently, we feel that “on an ongoing and continuous basis” ought to be removed from SLC27A.1 and we would encourage Ofgem to make clear that the supplier identification of self-disconnecting customers applies solely to vulnerable customers and not all customers.

### **Clarification of intent behind SLC27A.5 and 27A.7**

Energy UK would welcome further transparency on Ofgem’s intent behind SLC27A.5 which states that *“[...] on each and every occasion on which a licensee identifies that a Domestic Customer who is in a Vulnerable Situation has Self-Disconnected and / or has Self-Rationed or is Self-Disconnecting and / or Self-Rationing, the licensee must offer Additional Support Credit to that Domestic Customer [...]”,* and SLC27A.7 which states that *“Should the licensee [...] determine that the provision of Additional Support Credit to the Domestic Customer is not in the best interest of the Domestic Customer the licensee shall not be obliged to provide Additional Support Credit under SLC27A.5 to that Domestic Customer on that occasion.”*

We understand this to mean that if, through a supplier’s attempt at identifying self-disconnection, they identify a customer as being vulnerable, then on each and every occasion the supplier must decide whether it is in the best interest of the customer to offer them Additional Support Credit. Should the supplier deem that it is not in the best interest of the customer to offer them Additional Support Credit, then the supplier will not be obligated to do so on that particular occasion. Energy UK would welcome clarification from Ofgem on whether our understanding of the intent behind SLC 27A.5 and 27A.7 is correct.

### **Emphasis on customer engagement prior to offering Additional Support Credit**

Energy UK wishes to underline the importance of engagement with and from customers in identifying self-disconnection and self-rationing prior to the supplier offering the customer Additional Support Credit. We believe that maximising customer engagement allows for a more tailored approach to supporting a customer who is self-disconnecting or self-rationing their energy use. Understanding the individual circumstances of customers is essential to understanding the reasons why there may be changes in their energy usage. For instance some customers, in particular smart meter customers, may have made a conscious decision to ration their usage in order to be more energy efficient. Or, customers may have disconnected from their supply for reasons other than financial vulnerability, in which case offering Additional Support Credit may not be the right approach in the first instance.

### **Clarity on the close monitoring of self-rationing**

Energy UK welcomes Ofgem's decision to exclude from supply license conditions the requirement on suppliers to identify self-rationing due to the challenging nature of identifying self-rationing on a practical basis. However, we would welcome further clarity on how Ofgem intends to closely monitor the steps energy suppliers are taking to identify consumers in vulnerable circumstances who are self-rationing their energy use, as well as Ofgem's expectations for suppliers in this space.

In referencing the Standards of Conduct, we understand that Ofgem is not placing a proactive obligation on suppliers but rather a duty to identify customers in vulnerable circumstances, monitor their behaviours and take appropriate action should they suspect a customer is self-rationing. Confirmation on whether our understanding of Ofgem's expectations on suppliers to identify self-rationing is correct would be useful.

### **Review of costs in Impact Assessment and need for Data Protection Impact Assessment**

Energy UK welcomes the careful consideration by Ofgem of its final proposals through the delivery of an Impact Assessment (IA). Nonetheless, we feel it is important to highlight that the costs outlined in the IA associated with the final proposals may differ substantially depending on the structure of the supplier. Therefore, we would appreciate further transparency on how Ofgem calculated the believed costs associated with the proposals. Additionally, we would also encourage Ofgem to conduct a wider and more in-depth IA on the costs associated with the proposals in order to accurately reflect the inclusion of "all domestic customers" in their definition of self-rationing.

Finally, Energy UK would encourage Ofgem to complete a Data Protection Impact Assessment (DPIA) as their proposals require suppliers to monitor all customers, not solely vulnerably customers, which could be considered intrusive. Therefore, we believe Ofgem ought to establish whether such monitoring is consistent with the privacy rules to reduce harm, otherwise suppliers will lack a legal basis for monitoring all self-disconnecting customers.