

Email: [SORHelpdesk@ofgem.gov.uk](mailto:SORHelpdesk@ofgem.gov.uk)

Date: 17 December 2020

## **Decision to defer the introduction of new questions for the social obligations reporting**

Dear Stakeholder,

The purpose of this letter is to set out our decision to defer the introduction of updated questions for the social obligations reporting (SOR) until 2022. The letter provides a summary of the consultation responses received and our response to the issues raised. It sets out our decision and the actions that arise from that decision.<sup>1</sup>

### **Background**

We require stakeholders to provide social obligations reporting data to us on a quarterly basis. The information is used to review suppliers' performance in relation to specific social obligations, including areas where vulnerable customers may be affected. By monitoring this data, we can identify areas of suppliers' policies and practices where improvements are needed. We use this data in our compliance and enforcement functions, and in our development of policy and guidance. We have also used that data as the basis for a number of public reports such as The State of the Energy Market and Vulnerable Consumers in the Energy Market.

---

<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/consultation-proposal-defer-introduction-new-questions-social-obligations-reporting>

Having previously consulted on routine updating of the questions asked under SOR, we had proposed to introduce a new question set in 2021. However, given the additional challenges faced by suppliers during 2020 as a result of the COVID-19 pandemic, and the additional data requirements we placed on them to support our related monitoring, we sought stakeholders' views on deferring these changes to 2022.

The new set of SOR questions proposed for 2021 contained additional questions on areas such as prepayment meter self-disconnection and removed detail that was less important to our understanding of vulnerability, based on learning from past data collection and policy developments in recent years. We were aware that some suppliers might have begun preparations for answering the new question set. We therefore additionally sought stakeholders' views on permitting a nil or zero response to those questions that would otherwise have been discontinued.

### **Stakeholder Responses**

Our consultation asked two specific questions:

- 1) Do you agree with our proposal to defer the revisions to SOR to 2022?
- 2) Do you agree with our proposal to allow suppliers to submit a nil / zero return for the questions that would otherwise have been removed from the SOR question set?

We received nine responses to the consultation, and there was no disagreement with either of the proposals. We also received a number of comments and observations that we consider in detail below.

One response asked that we allow submissions of SOR data via Huddle<sup>2</sup> from 2021. Given the work required in changing the data collection tool we believe it makes sense to make changes to questions and the data collection tool at the same time. We will, of course, work with suppliers to minimise burdens in using the existing portal for a further year.

---

<sup>2</sup> Huddle is a secure means by which suppliers upload their data in order to share it with us.

## Decision – Decision on Proposal to Defer the Introduction of SOR Guidance.

---

We considered the impact of deferral on our ability to monitor the extent of self-disconnection by customers using prepayment meters. In doing so, we noted that suppliers are currently providing some of this information to us in our 'Request For Information (RFI) in relation to COVID-19' until March 2021. Should the need arise we will explore alternative means of collecting a limited set of this data prior to the 2022 start of the new SOR questions.

Two responses asked for clarity about our plans for the RFI on COVID-19 beyond March 2021. While this is beyond the scope of the consultation and this decision, we note the comments and confirm it is our intention, as previously indicated, to review this in January 2021.

One response noted that it would have been helpful to have made this decision earlier. As we did with the previous SOR consultation, we always aim to give suppliers plenty of notice on any potential changes. Over the summer we did not know how long the COVID-19 pandemic would last, nor the impact it would have on industry and customers.

One response suggested that submitting nil or zero responses for questions that would otherwise have been removed should be a requirement rather than being optional to avoid inconsistency in supplier returns. Our intention is to be as flexible as possible with suppliers on this issue and if for any reason it is easier for suppliers to make returns for those questions we do not want to increase the burden on suppliers by making a nil or zero response mandatory.

One response asked us to consider deferring the introduction of the new set of questions by less than a year so that we could monitor the new questions sooner. We considered the practicality of doing that but note that the SOR data set is built up on a calendar year basis. Much of the annual reporting is an aggregate of the four quarterly returns for across the year, that allows us to track changes in supplier performance year on year and to track any seasonal trends within the year.

Two responses noted areas of clarification in the guidance that would be helpful, including noting of an inconsistency in the numbering of questions, and an incorrect question

reference; we have therefore made minor corrections to the guidance document to address these.

## Decision

Following careful consideration of responses received, we have decided to proceed with proposals to defer the revisions to the SOR and we therefore:

- 1) revoke the guidance document which we previously issued in this matter, *Guidance on monitoring suppliers' performance in relation to domestic customers*, dated 26 August 2019 (which had been due to come into effect on 1 January 2021).<sup>3</sup>
- 2) issue a new direction which reflects updated compliance timescales that will come into effect in 2022.
- 3) issue new *Guidance on monitoring suppliers' performance in relation to domestic customers*, for submissions of data from 2022 which reflects updated compliance timescales and makes minor changes to question numbering and adds clarification to guidance notes.

We will email all suppliers with a copy of this decision and associated documents as well as making it available on our website in the usual way.

This has the effect of leaving existing direction and guidance<sup>4</sup> in place for a further year until the new guidance (as in point 3 above) comes into force in 2022. However, as proposed in the consultation we will allow suppliers to submit a nil / zero return for the questions that

---

<sup>3</sup> [https://www.ofgem.gov.uk/system/files/docs/2019/09/sor\\_guidance\\_decision\\_v2.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/09/sor_guidance_decision_v2.pdf)

<sup>4</sup> <https://www.ofgem.gov.uk/ofgem-publications/102343>

**Decision** – Decision on Proposal to Defer the Introduction of SOR Guidance.

---

would otherwise have been removed from the SOR question set. A summary of the effect of this change which will be in place for all quarterly submissions (Q1-Q4) and the annual submission for 2021 is provided (Annex 4) in the related links section of our consultation page.

If you would like to discuss any aspect of this decision please email  
[SORHelpdesk@ofgem.gov.uk](mailto:SORHelpdesk@ofgem.gov.uk)

Yours faithfully,

Dr Karen Mayor  
Deputy Director Retail Monitoring and Compliance (interim)

## **Annex 1: Related Publications**

The current guidance on Social Obligations Reporting

<https://www.ofgem.gov.uk/ofgem-publications/102343>

2020 Consultation on Proposal to Defer the Introduction of new Questions for Social Obligations Reporting

<https://www.ofgem.gov.uk/publications-and-updates/consultation-proposal-defer-introduction-new-questions-social-obligations-reporting>

2018/9 Consultation on Revisions to Social Obligations Reporting

<https://www.ofgem.gov.uk/publications-and-updates/consultation-revisions-social-obligations-reporting>

Electricity Supply Standard Licence Conditions

<https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

Gas Supplier Standard Licence Conditions

<https://epr.ofgem.gov.uk//Content/Documents/Gas%20supply%20standard%20licence%20conditions%20consolidated%20-%20Current%20Version.pdf>