

Emailed to: FWP@Ofgem.gov.uk

19 February 2021

Dear Sir/Madam,

Ofgem Forward Work Programme 2021/22 consultation

I write in response to the Ofgem Forward Work Programme 2021/22 consultation. Thank you for the opportunity to comment and to attend the stakeholder session on the draft work programme in December 2020.

We agree that the energy sector is undergoing a major transformation, in terms of decarbonising the economy and making the most of the opportunities of greater data and digitalization. Ofgem has a leading role to play in shaping this transformation, promoting a green recovery, and safeguarding the interests of energy consumers. We are keen to support that role and continue to work together on areas to reduce consumer and microbusiness detriment. We have highlighted some specific potential areas of collaboration below.

We welcome Ofgem's Forward Work Programme and we agree that the next decade is critical for a successful transition to a low carbon, digitally enabled energy system. With the ambitious net zero target, it is right for the focus to be on a work programme that will help to shape the energy system while driving high standards in the industry and protecting consumers, particularly those in vulnerable circumstances.

Last year was a challenging year and we saw great work and collaboration across the sector to ensure that consumers remained on supply and urgent work was completed in a reasonable time, that debt collection activity was paused and consumers facing financial difficulties were supported. There are opportunities to share best practice from this experience. It will be important to continually review what support is needed across domestic and non-domestic consumers when the unknown longer-term health and economic impacts of Covid-19 fully emerge.

We support the direction that the forward work programme is taking and look forward to working with Ofgem and other stakeholders on this journey.

Specific comments:

Proposed future of retail activities:

We agree that consumers should be at the heart of the net zero journey and we support the proposed focus on protecting consumers in rapidly evolving markets and also with regard to more complex products and services. For example, green improvements at home and work to retrofit homes, to make them low carbon and more energy efficient will require considerable engagement with consumers and we think it is important that they have a voice and appropriate protections. There will be different impacts for consumers depending on their living and working arrangements and financial circumstances.



Heat Networks

We know that Heat Networks will play a vital role in helping the UK meet net zero targets 2050. The regulation of the heat networks sector should bring more protections to consumers and a focus on the issues that matter to consumers as they transition to heat networks in their homes. As the redress provider for consumers whose heat network is a member of the Heat Trust scheme, we understand some of the challenges faced by consumers on heat networks.

We will continue our work with Ofgem, the Department for Business, Energy and Industrial Strategy (BEIS), Citizens Advice, heat network providers and other stakeholders in ensuring that consumers on heat networks are afforded similar protections as gas and electricity consumers in line with the recommendations from the Competition and Markets Authority and BEIS. We also think it is important that heat network consumers across the whole of the UK have the same levels of protections.

Electric Vehicles (EVs)

Like many organisations, we are currently considering how the targets for EV use will impact on consumers and our own services. The UK and Scottish Government 2030 targets for the ban on the sale of new petrol and diesel vehicles has put the need to better understand EVs and charging systems in the spotlight.

With only nine years before this deadline, we think there is a lot to be done to ensure that consumers can access the right information to be confident in transitioning to an EV. Consumers would benefit from clearer information and greater transparency on pricing and tariffs. Likewise, we agree that the public EV charging experience needs to improve to ensure that consumer can easily access charging points and understand the costs involved. We know that as the uptake of EVs increases, we are likely to see more complaints that may emerge in relation to tariffs or equipment and we share the view that it is important to look at the whole consumer journey in relation to EVs. We responded to the recent CMA market study on EV Charging and we would welcome the opportunity to work more closely with Ofgem.

In order to build consumer trust and confidence to adopt new technologies, engage and adjust to the future energy changes, we think it is important to get things right now. If consumers cannot see a market that works for them now, they may find it more difficult to trust energy suppliers in the future.

Improving outcomes for microbusiness consumers

We agree that it will be important to look at how the reforms to help protect microbusinesses work in practice. As you know, we have been working closely with Ofgem around establishing an independent redress scheme that energy brokers will be required to sign up to and so enable microbusinesses to ultimately bring a complaint to the redress scheme. We continue to work with Ofgem, brokers and suppliers on this work. We will also be working with BEIS in relation to the proposal in the Energy White Paper that brokers and third-party intermediaries should be regulated for both domestic and microbusiness consumers.

Working together

As highlighted throughout our response, we think there is merit in working together in many of the key areas you have outlined in your work plan. We think early identification of potential or actual consumer and microbusiness detriment is important, particularly where sectors begin to converge as technology, new products and services begin to blur traditional sector boundaries. It will become even more important to ensure that organisations work effectively together to meet this challenge and help protect consumers but also work with suppliers and others to help them improve the services they provide to consumers.

Please do not hesitate to contact us if you would like further information regarding our response. Our response is not confidential.

Your sincerely,



Ed Dodman
Director of Regulatory Affairs

For more information regarding this consultation please contact:

David Pilling
Head of Policy and Public Affairs
Ombudsman Services
3300 Daresbury Park
Daresbury
Warrington
WA4 4HS

t: 07595 449366

e: dpilling@ombudsman-services.org

Appendix A

About Ombudsman Services:

Ombudsman Services is a not-for-profit private limited company established in 2002 which runs a range of discrete national ombudsman schemes across different sectors including energy, communications and an appeals service in private parking. Each scheme is funded by the companies under our jurisdiction and our service is free to consumers. In 2019 we received 157,808 initial contacts from complainants and resolved 88,840 complaints. In the energy sector we received 116,700 initial contacts and resolved 58,034 cases, and in the communications sector, we received 40,184 initial contacts and resolved 17,426 cases. We also received over 84,000 appeals in our private parking appeals service.

We are:

- to our consumers, the people they can turn to for impartial advice and solution that's fair;
- to our partners, the people they look to for knowledgeable and insightful ways to help them reduce complaints by enabling them to make the changes they need to deliver better customer services;
- to our regulators, champions in protecting rights as well as partners in information sharing, we share our analysis so that regulators and business partners can make improvements; and
- to our people, here to enable them to deliver clarity to consumers and partners through meaningful work.