



Bhavika Mithani
Consumer Policy
Ofgem
9 Millbank
London
SW1P 3GE

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

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sam.torrance@sse.com
01738 512385

Dear Bhavika,

Review of the Priority Services Register – Update and Next Steps

SSE welcomes the opportunity to respond to Ofgem's open letter on this issue. We are supportive of Ofgem's review of the Priority Services Register (PSR) and believe that an industry review is essential to ensure that the non-financial provisions for vulnerable customers are suitably targeted and provide effective protection. We have provided our responses to the specific questions posed by Ofgem and also our general feedback to the Ofgem proposals in the attached annex.

SSE takes its responsibilities in identifying and supporting vulnerable customers very seriously and recognises the importance of providing appropriate and adequate safeguards and support. We have a number of policies and processes in place to identify and help vulnerable customers, as outlined within our response to Ofgem's Consumer Vulnerability Strategy (CVS)¹ in September last year.

SSE remains of the view that it is important the criteria for customers who are eligible for the PSR continues to focus on those most in need and if there is to be an expansion of the eligibility that those are prioritised for assistance to ensure the assistance provided to this group is not diluted.

SSE is supportive of Ofgem's CVS, from our experience we are aware that there are a wide number of reasons why a customer could be considered as vulnerable. However, for the reasons explained in this response, we do not believe that such an extensive expansion of the PSR is necessarily the right way to be driving forward the policy intent as outlined within the CVS.

Finally, we would like to highlight our concerns over the proposed timescales outlined within Ofgem's open letter. As you are aware, there are a number of high priority IT projects at the

¹ Consumer Vulnerability Strategy – SSE's Approach; 30th September 2013



moment, such as project Nexus, which is taking up the majority of our IT resource. Taking this into account, the suggested timescales are extremely tight and a more realistic and achievable timescale would be to implement these changes by the end of December 2016. Also, we welcome Ofgem's suggestion to hold a workshop on the PSR in Summer time, however we would highlight that any significant changes to Ofgem's proposals may lead to further delays in implementing these changes.

I would welcome the opportunity to discuss any of the points within this response in more detail.

Kind regards,

Sam Torrance
Regulation Analyst

Annex

Eligibility

- *Ofgem proposal - require all energy companies to proactively identify vulnerable customers.*

SSE agrees with Ofgem that energy companies should be identifying and recording the details of vulnerable customers. As outlined previously, we support and agree with the view that there are a wide number of reasons as to why a customer could be considered as 'vulnerable'. However, we do have concerns regarding Ofgem's proposal for energy companies to 'proactively' identify in general but particularly some of the groups highlighted and also how this requirement would be drafted into a licence condition. This requirement is ambiguous and we believe Ofgem need to provide further clarification and/or guidance as to what they expect from energy companies.

Energy suppliers' ability to 'proactively' identify vulnerable customers is limited. We rely on the information provided by the customer in order to identify vulnerable customers. SSE believes in effective, up-to-date training and our training already focuses on encouraging our staff to adopt a very wide definition in assessing whether customers are vulnerable. However, the main way in which suppliers can 'proactively' identify vulnerable customers is by raising awareness of the additional support which we can provide to certain customers and training staff who may undertake site visits to our customer's properties to be identify any potential signs of vulnerability. We do not believe that suppliers should be required to ask customers personal and intrusive questions which may inadvertently cause offence and complaints. In order to add a customer to the PSR, we require the customer's consent and for various reasons many of our customers do not want their energy supplier to hold such personal information; or like to be classed as 'vulnerable'; or wish to be included on to a priority services register. Therefore, we believe that the focus should be on better awareness and encouragement of the services we offer to our customers in certain circumstances, in order to persuade customers to engage with us which would then have the knock on effect of more customers with a vulnerability being recorded.

As outlined above, SSE remain of the view that the criteria for customers who are eligible for the PSR remains specific in order to ensure that the customers who are most vulnerable and in need are identified as a 'priority'. On this basis, we welcome Ofgem's proposal to acknowledge 'at risk' groups by retaining the 'core' eligible groups in services relating to safety. However, these proposals may still lead to a risk of an increasingly large numbers of customers being added to the PSR which may dilute the importance of these 'priority' services available to those customers most in need and could have longer term cost implications.

- *Move towards a needs-based model of eligibility, with "core" eligible groups specified for safety services;*

Generally speaking, SSE supports Ofgem's proposal towards a needs-based model of eligibility, with 'core' eligible groups specified for safety services. As we mentioned above,



we agree that there are a wide number of reasons why a customer could be considered as vulnerable and therefore it's important that vulnerability is assessed on a case-by-case basis.

However, a move towards a needs-based model of eligibility will require significant IT changes and updates to our CS systems to allow us to record what is required on us. In order to deliver the required IT changes we have already raised a 'Vulnerability project' which is scoped to deliver changes to vulnerability codes. Furthermore, there will also need to be significant changes to industry flow data which will also take time to be developed and implemented. In particular, there will be difficulty in creating markers for more transient forms of vulnerability and keeping this information up-to-date will be a challenge. As indicated earlier in our response we do not believe that suppliers should be required to ask our customers personal and intrusive questions and in order to keep these flags up-to-date would require these sorts of questions to be asked every time we have contact with the customer.

Q. Do stakeholders agree that 'families with children under 5' should be added as a specified eligible "core" group to receive additional help during interrupted supply and for the provision of free gas appliance safety checks?

Yes, SSE agrees. As you will be aware, suppliers are already required to offer a gas safety checks to families with children under 5 therefore, it makes sense for safety obligations on network companies to be aligned with those on gas suppliers to offer free gas safety checks. However, the eligibility is also income related and SSE believes that this should continue to form part of the eligibility criteria for free gas safety checks. The main challenge for energy companies is being able to identify customers who are, or live with someone who is, either pregnant or have children under the age of 5 as many customers will not feel the need to inform us that they are pregnant or have a child under the age of 5. Furthermore, the inclusion of more transient forms of vulnerability will mean that transient markers will need to be developed and the customer journey will need to be considered carefully.

Q. Do stakeholders agree that the specified eligibility covering elderly people for the services related to safety should be changed from 'pensionable age' to '75 and over'?

Yes, SSE agrees. However, there are currently a number of different definitions of vulnerability which are used across industry. SSE believe that it is important to ensure that there is consistency across definitions used in the industry, and moving the pensionable age to 75 may lead to inconsistencies with other definitions of vulnerability which are used for other services provided to vulnerable customers, such as the Warm Home Discount, cold weather payments, smart and Energy UK safety net (however, we acknowledge that not all suppliers have signed up to the EUK safety net) etc. These varying definitions of vulnerability across industry may lead to customer confusion about what services they may be eligible for and also adds additional complexities for suppliers applying markers to customer accounts for the various forms of services offered to vulnerable customers.

Also, as we mentioned above, SSE believe that the eligibility for the provision of free gas safety checks needs to be income related and therefore should continue to form part of the eligibility criteria for free gas safety checks.

Q. Do stakeholders consider that pregnant women should be added as a specified eligible “core” group receiving free gas safety checks?

SSE agrees that pregnant women on low income should be added as a specified eligible ‘core’ group receiving free gas safety checks. The criteria in our free gas safety check obligation already specifies that the customer needs to be in receipt of a means-tested benefit and we would encourage a continuation of this element of the criteria. However, as we outlined in our response to question 1 above, the addition of pregnant women to the ‘core group’ receiving free gas safety checks would need transient markers to be developed on to our systems.

Services:

Generally speaking, SSE is supportive of the proposed services and already provide the majority of these services, and more, to our customers. As you will be aware, SSE already offers a number of additional services which goes above and beyond the required services under the Priority Services Register under our ‘Careline’ service, this already included the knock and wait service which we have had in place for many years now.

Customer identification and data sharing:

SSE agrees that energy companies should identify and record vulnerable customer data and share this with other energy companies and more widely with other utilities. As you will be aware, Suppliers already have an obligation to share certain information with Distribution companies under SLC 26.7. It makes sense to share this information more widely with other utilities, especially other industries that provide an essential service, such as the Water industry. However, we believe that a more sensible approach would be to develop a suitable way of sharing this information fully throughout the energy industry before looking to develop greater data sharing with other utilities.

The DPA would not prohibit this form of data sharing, however data concerning vulnerability could fall within the definition of Sensitive Personal Data, which includes information concerning an individual’s “physical or mental health or condition”. As Ofgem outlined within the open letter, in most cases we would require the ‘informed consent’ from the customer to share this type of data with other companies. Therefore, before energy companies would be in a position to share this sort of information more widely, we would require:

- Clarification on how informed consent is collected by those parties who will share the data, as each will need to evidence it (e.g. a customer moves to SSE and the previous supplier shares this data with SSE, if SSE then needs to share the data later,

it would not have collected informed consent but would be relying on the previous supplier's informed consent).

- Ofgem's open letter refers to the sharing of data more widely with other utility organisations. We would need to know precisely what organisations would be expected to receive the data in order to be fair with customers (i.e. let them know).
- Data Controllers are responsible under the DPA 1998 for how data is processed. For data sharing to take place SSE would need to be satisfied that once the data is passed to another organisation, that data would only be used for specific purposes and the recipient would become the data controller. To that extent, there may need to be a data sharing protocol put in place.

SSE agree that the ENA CSWG is the right group to take forward the role in developing 'needs' codes and the industry mechanisms for data sharing, working with industry and consumer groups. However, it is essential for this working group to ensure that all stakeholders within the industry are invited to input and support the development and implementation of these codes.

Improving the take-up of services

- *Keep 'Priority Services Register' as the joint brand name*

SSE agree that the industry should keep the 'Priority Services Register' as the joint brand name for the required services which all energy companies offer to their customers. However, as we mentioned earlier in our response, SSE already offer a number of additional services on top of the requirements under the PSR and we brand these services under the Careline brand name. We believe it is important for suppliers to be able to develop additional services to address the needs of their customers and any branding should not stifle suppliers ability to be innovative in this area.

- *Expect energy companies to consider further work in promoting customer awareness and uptake of PSR services*

SSE acknowledges that more can be done to raise awareness and uptake of PSR services. Therefore, we agree to consider further work in promoting customer awareness and uptake of PSR services (and the wider services we provide under Careline). However, there is a challenge of how we can minimise any confusion caused by the additional services without greying the areas of the essential services provided under the PSR. We will continue to consider this further internally, however this may be something to be discussed more widely and the proposed Ofgem workshop in the summer, as other services may be introduced by us or others in the future beyond those required under the PSR.

- *Produce information materials for advice providers to communicate the PSR and services*



SSE agrees that producing information material for advice providers to communicate the PSR and services is a good idea. However, this information would need to be carefully worded and signed off by stakeholders.

Compliance and monitoring

- *Adopt a principles-based approach to regulation of energy companies' compliance to PSR*

SSE agrees with the proposal to adopt a principles-based approach to regulation of energy companies' compliance to PSR. However, Ofgem must provide energy companies with sufficient time for energy companies to adopt and fully embed these changes.

- *Replace supplier independent audits with SOC panel reporting and mystery shopping together with revised SOR*

SSE is pleased to see that Ofgem have proposed to replace supplier independent audits with SOC panel reporting and mystery shopping, along with revised Social Obligations reporting. As you will be aware, additional or revised reporting does require time to develop and implement, with resource requirements and IT development and therefore it's crucial that Ofgem provide suppliers with suitable timescales in order to build, develop and test any revised reporting.