



Bhavika Mithani
Consumers and Competition
Ofgem
9 Millbank
London
SW1P 3GE

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

fiona.casey@sse.com
18th February 2016

Dear Bhavika,

Priority Services Register Review – Final Proposals

Thank you for providing SSE with the opportunity to comment on Ofgem's final proposals for the Priority Services Register (PSR).

We take our responsibilities in identifying and supporting vulnerable customers and customers with additional needs very seriously and we recognise 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, and we seek to introduce new and innovative services where possible (for example being the first energy company to use SignVideo, which is a relay service allowing customers to make and receive British Sign Language interpreted video calls).

We are supportive of Ofgem's PSR review and welcome updates to the licence which would enhance the PSR. However, we continue to have some concerns over the eligibility criteria and data sharing proposals. These concerns are discussed in further detail in Annex 1 which contains SSE's response to the individual consultation questions.

We are keen that industry delivers the most robust and workable solution for data sharing. To this end, we do not support the proposed implementation date of June 2016 for electricity as it does not provide adequate time to develop a DPA compliant and practicable solution. In line with discussions at the Data Sub Group, we would support the delivery dates for gas and electricity being aligned to June 2017 (which is the current proposed gas delivery date) at the earliest.

This cover letter and the attached response are non-confidential.

Please get in contact with me if you have any questions on this response.

Yours sincerely,
Fiona Casey

Regulation, Markets

Annex 1 – SSE response to consultation questions

Question 1: Do you agree with our final proposals for enhancing eligibility and customer identification and the associated proposed licence conditions?

Eligibility

We understand the rationale behind enhancing the eligibility criteria for the PSR however we are concerned that the purely outcomes-based model for suppliers may have unintended consequences. We note that the 'core' eligibility groups will be retained for distribution networks and consider that it would be pragmatic to define the 'core' eligibility criteria in the supply licences also (in addition to the outcomes-based model).

Stating the 'core' eligibility criteria in the supply licences ensures consistency across energy companies with regards to the most vulnerable customers. This will help ensure that the safety and wellbeing of these customers is not compromised. Not defining the 'core' eligibility criteria introduces the risk of non-identification of these customers.

We would therefore expect to see "families with children aged five and under" listed under Personal Characteristics and seek clarity on this omission.

We note the disparity between the consultation document drafting (paragraph 1.30 "take reasonable steps") and the licence drafting (SLC 26.1(b) "take all reasonable steps"). Whilst we note that Ofgem has included the wording "(having regard to the interests of the Domestic Customer)", we still remain concerned over the use of the word "all". "All reasonable steps" is a broad requirement with a very high compliance threshold. This could lead to a poor customer outcome as it could risk encouraging supplier behaviour which, despite having all good intentions, may cause the customer to feel harassed. "Reasonable steps" would be sufficient to meet the policy intent, whilst minimising this risk.

The wider household

We note that the drafting of SLC 26.1 refers solely to the Domestic Customer and their Personal Characteristics or vulnerable situation. We are concerned that this drafting does not take account of a household where the customer themselves does not require PSR services, yet another member of the household is vulnerable and would benefit from the household being added to the PSR.

We note that the "all reasonable steps" requirement may lead to customers being asked very intrusive questions about the other members of their household. Again we would urge that this wording be changed to "reasonable steps".

Question 2: Do you agree with our final proposals for amending the PSR services and the associated proposed licence conditions?

Core services

We consider that it is appropriate that Ofgem has maintained a minimum set of services. It is important that there is some degree of standardisation across the industry so that customers will feel able to switch supplier safe in the knowledge that any new supplier will take account of their need or situation and will deliver an appropriate outcome.

We note that the proposed drafting of the licence makes no reference to members of the household who may be able to read the meter on behalf of the customer, as per the current licence condition drafting. We note that this was a topic of discussion between Ofgem, suppliers and Energy UK at the call which Ofgem hosted on 4th December 2015. We would like to see the wording updated to take this into account, and suggest that a small change such as the one suggested below would satisfy this requirement.

“26.5 (c) The reading (and provision of that reading to the Domestic Customer) of the customer’s [Electricity/Gas] Meter at appropriate intervals, if the Domestic Customer (or any other occupant of the premises) is unable to do so,”

Further services

We aim to innovate in order to meet our customers needs better, such as the introduction of SignVideo¹ to deliver a better experience for customers who speak British Sign Language; and partnering with dementia experts at the Dementia Services Development Centre at Stirling University to educate staff to be better equipped to support customers with dementia. To this end, we support the introduction of SLC 26.5(f). We do question how compliance with this specific part of the licence condition will be determined.

Question 3: Do you agree with our final proposals for recording and sharing information about customers in vulnerable situations and the associated proposed licence conditions?

Recording information

The Data Protection Act 1998 (DPA) sets eight principles of good information handling, which organisations must follow when collecting, storing, using or otherwise processing individuals’ personal data. Information recorded on the PSR is personal data and, where it is information about physical or mental health, is classed as sensitive personal data and must be handled with special care.

The principles, coupled with the fact that the PSR can be used to record sensitive personal information, mean that organisations must get consent before processing data (the DPA regards recording data as processing), but also that the consent must be explicit and informed. This means that the individual must fully understand what will happen to their data and for what purpose and then give clear consent.

We note that the licence drafting does not request that suppliers gain consent prior to adding customers to their PSR. We consider that it is necessary for consent to be gained and request that the drafting is modified to include this requirement. A small change such as the one suggested below would satisfy this requirement.

“26.1 The licensee must:

1 <https://www.sse.co.uk/help/energy/priority-customers/signvideo>

(a) establish and maintain a Priority Services Register of its Domestic Customers, who, due to their Personal Characteristics or otherwise being in a vulnerable situation, may require Priority Services and who consent to being on such a register, and

(b) take all reasonable steps (having regard to the interests of the Domestic Customer) to identify such customers and offer to add their names to the Priority Services Register with their informed consent."

Sharing information

We agree with the requirement to gain consent prior to sharing customer data as this means that suppliers will protect their customers' data and also comply with legal obligations under the DPA.

We do note however that Principle 4 of the DPA requires that only data which is accurate and up to date is processed whilst Principle 5 requires that data is not held for longer than necessary. To this end, we consider that it is vital for data cleansing and date stamping standards to be set across the industry to ensure that any data sharing will not result in a supplier inadvertently contravening these principles. Minimum security standards are also essential to ensure that customers' data is safe and handled with care, as required by Principle 7 of the DPA.

We would also need to understand what the "Minimum Details" and "Relevant Industry Mechanisms" are in practice before we could comment fully on the data sharing requirements.

As noted in the cover letter to this response, we are keen that industry delivers the most robust and workable solution for data sharing. To this end, we do not support the proposed implementation date of June 2016 for electricity as it does not provide adequate time to develop a DPA compliant and practicable solution. In line with discussions at the Data Sub Group, we would support the delivery dates for gas and electricity being aligned to June 2017 (which is the current proposed gas delivery date) at the earliest.

We note that the licence drafting requires suppliers to take "all reasonable steps" to gain consent to share data. Again, we are concerned that the use of the word "all" creates a broad requirement with a very high compliance threshold. This could lead to a poor customer outcome as it could risk encouraging supplier behaviour which, despite having all good intentions, may cause the customer to feel harassed "Reasonable steps" would be sufficient to deliver the desired outcome, whilst minimising this risk.

Needs codes

The nature of the new "needs codes" means that companies will be sharing very personal and sensitive information about customers. We do have concerns over this and maintain that the "needs codes" must be carefully considered and justified. We consider that if the needs codes recorded the adjustment required for the customer rather than the customer's

personal characteristics (ie recording that the customer cannot communicate via telephone, rather than recording that they are deaf) then this would be less intrusive or sensitive data.

The wider household

We note that the drafting of SLC 26.2 and 26.3 refers only to gaining the consent of the Domestic Customer. As noted in the response to Question 1, we are aware that there are occasions where the customer themselves has no need for PSR services but that another member of the household has personal characteristics which mean they would benefit from the household being added to the PSR. Suppliers would need to gain the consent of the individual for whom the “needs code” relates prior to sharing the data, rather than the consent of the Domestic Customer; the licence drafting does not take account of this.

Question 4: Do you agree with our final proposals for raising awareness of the priority services, including any specific suggestions for energy companies to improve awareness?

Single cross-industry brand

We see the benefit in having a recognisable brand that customers are aware of and know to ask for. We are concerned, however, that a single brand may unintentionally cause customer confusion when switching supplier. Customers might expect a cross-industry brand to offer consistent services between suppliers, however SLC 26.5(f) means that suppliers will offer different services that will not necessarily be replicated by the rest of the industry.

It could be beneficial for suppliers to offer services under two separate brand names, for example:

- Priority Services: Essentials
- Priority Services: Extras

The ‘Essentials’ brand would be used for the ‘core’ PSR services as outlined in the supply licences and the ‘Extras’ brand would be used for the additional services which suppliers offer under SLC 26.5(f). This creates a distinction between the two sets of services and could make it easier to explain to customers what services they should expect from all suppliers.

It should be noted however that even within the ‘core’ PSR services there is still room for suppliers’ offerings to differ. For example some suppliers may take a broader interpretation of SLC 26.5(e) and offer communications in a wide range of different languages (in addition to accessibility formats) whereas other suppliers might only offer communications in languages for which there is a significant demand (in addition to accessibility formats).

Third party advisors

We are supportive of suppliers working with trusted third party advisors, such as Citizens Advice, to develop customer advice and information materials. It is appropriate and fitting for these organisations to provide information on the PSR and to potentially identify eligible customers, and it is a positive customer outcome for as many channels as possible to be promoting the PSR.

Innovative ways to increase customer awareness

We note Ofgem's proposal for companies to develop innovative ways to increase customer awareness of and promote take-up of PSR services (paragraph 4.7 – 4.8). At SSE, all frontline staff are encouraged to be vigilant to the needs of customers, listening for signs of vulnerability and identifying and recording situations where adapted services or additional support may be helpful. In addition, we work closely with external organisations, nationally and locally to promote the extra support which is available to its customers. Furthermore, we are currently exploring opportunities for enhancing our websites to make it easier for customers to access information about and join the PSR.

Question 5: Do you agree with our final proposals for the approach to monitoring energy company performance in this area?

SSE's internal monitoring

We have recently established a Treating Customers Fairly (TCF) Management Panel to have oversight of TCF activity throughout the business. This panel has been very successful in generating quality output which has, amongst other things, enhanced SSE's TCF monitoring and governance. Vulnerability is a standing agenda item for the Panel's meetings.

An output of these meetings has been the development of a TCF Management Information (MI) dashboard. This dashboard is produced monthly and reports on a number of metrics which track the performance of the business against the TCF outcomes, including outcomes related to vulnerability. A high level summary of this dashboard is used to feed in TCF updates to SSE's Board.

Following on from the success of the TCF Management Panel, there are plans to introduce a Vulnerability/PSR Management Panel in 2016. The purpose of this panel will be to drive enhancement of SSE's vulnerability services and to obtain leadership oversight of changes. There are also plans to enhance the vulnerability metrics which are captured in the MI dashboard.

These initiatives demonstrate SSE's commitment to internal monitoring and governance of its customer-facing activities.

Principles

We are supportive of Ofgem's proposal to move towards more of a reliance (where appropriate) on general principles, rather than prescriptive rules. This, in tandem with a mature and constructive relationship between Ofgem and suppliers will empower suppliers to develop solutions that engage staff and that benefit consumers.

To this end, we support Ofgem's proposal to monitor supplier activity through a Challenge Panel session and through the inclusion of an update on PSR within or alongside the annual TCF statement (although we do have a concern over the wording of this requirement in the licence as discussed further below). We understand the proposal to enhance reporting and monitoring, although are cautious of the risk of introducing new data points which are onerous to report on or which do not give Ofgem exactly what it is looking for.

Challenge Panel

We were invited to attend Ofgem's 2014 TCF Challenge Panel and found the session to be very useful as it acted as a distinct prompt to evaluate our progress so far with embedding the Standards of Conduct (SOC). Whilst we felt comfortable with our performance at the Challenge Panel – and strongly believe we had taken reasonable steps to embrace the SOC – the experience (and Ofgem's follow up report²) did provide a stimulus to explore potential improvements. We therefore support the proposal to run the Challenge Panel with a focus on vulnerability.

TCF Statement

In our TCF Statement, we already report on the steps we have taken to meet the needs of our vulnerable customers and the steps we propose to take in the upcoming year. We consider that this is an important part of the TCF Statement as it is essential for vulnerable customers to know what help and services are available; including this information in the TCF Statement helps to raise awareness of the PSR. To this end, we support the requirement to report on PSR activities within or alongside the TCF statement, although have concern over the wording of the requirement.

We seek clarity on what reporting on "compliance with this condition" will mean in practice. Our understanding of the intent is that suppliers would be expected to provide information in line with what is required in the TCF Statement: customer friendly information which explains the actions and services which the supplier has in place to meet vulnerable customers' needs. However, the word **compliance** could be interpreted differently and could be seen to require a more in-depth compliance report or Management Information (neither of which are customer friendly nor appropriate to issue in or alongside the TCF Statement).

Updating the Social Obligations Reporting (SOR)

We agree that updating the SOR seems a pragmatic way for Ofgem to gather information on suppliers' PSR offerings and uptake. We acknowledge Ofgem's plans to consult on any SOR changes.

We are keen to work with Ofgem to reach the optimal changes to the reporting requirements. We consider that if we understand exactly what Ofgem's requirements are then we will be better placed to comment and provide a steer on whether there are more appropriate data points for suppliers to report on. This will be of benefit to Ofgem as it will result in the most useful, robust and representative data being provided.

We ask that suppliers are given adequate time to develop, build and test any revised reporting, noting that there are other IT projects in train which are putting strain on resources.

Monitoring quality

² https://www.ofgem.gov.uk/sites/default/files/docs/2015/03/standards_of_conduct_-_findings_from_the_2014_challenge_panel_0.pdf



We note that Ofgem proposes to measure more widely the quality of service provided to customers in vulnerable situations. We would like to understand this proposal in more detail.

We are keen to work with Ofgem to reach to optimal reporting solution and again note the need for adequate time for suppliers to develop, build and test reports.