



Moritz Weber
Ofgem
9 Millbank
London SW1P 3GE

29th August 2017

Prepayment meters installed under warrant - statutory consultation

Dear Moritz

Flow Energy's response to the above consultation should be read in conjunction with that issued by EUK on behalf of its members (which we fully endorse).

In addition to the points raised by EUK, we believe careful consideration needs to be given to the interactions of gas theft and electricity abstraction. Flow Energy is concerned that the initiatives in the consultation do not take account of supplier's requirements in this area. This is not a neat area, so the points of concern may appear nebulous in isolation, but collectively they do pose a risk.

Theft by definition will lead to a customer debt. The origin of such a debt can be argued to have resulted by very different methods and as such, a supplier's route to recovery (inc warrants for pre payments) should be a legitimate tool not compromised by a price cap. This could provide a perverse incentive for suppliers not to assess theft, if the outcome was that only a proportion of warrant costs for prepayment could be recovered. Clearly this is not the intent of the proposal but since energy theft appears silent in the drafting, it's difficult to see how such a scenario could be fully avoided.

The requirement to assess vulnerability combined with proportionately is a principle Flow Energy fully agrees with, however we do not believe that individuals should have this full measure applied to them in cases of theft where the case has moved from suspected to proven. Individuals who are in this category are often fully versed in what suppliers can and cannot do and if some of the central pillars of this initiative heavily dilute suppliers ability to charge for and chase debt, those involved in energy theft will in all probability abuse these new practices and spuriously claim vulnerability.

I trust these comments, together with those provided by EUK will be considered in consideration of licence drafting.

Flow Energy Ltd

North Felaw Maltings
48 Felaw Street
Ipswich
Suffolk IP2 8PN

robert.cameron-higgs@flowenergy.uk.com
+44 (0)20 3137 4466
www.flowenergy.uk.com





Regards

Robert Cameron-Higgs

Regulation & Industry Codes Manager

Flow Energy Ltd

North Felaw Maltings
48 Felaw Street
Ipswich
Suffolk IP2 8PN

robert.cameron-higgs@flowenergy.uk.com
+44 (0)20 3137 4466
www.flowenergy.uk.com

