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Dear Rachel,

Supplier Guaranteed Standards of Performance: Consultation on Switching Compensation

Thank you for the opportunity to comment on this consultation. ScottishPower welcomes Ofgem's wider initiatives to encourage consumers to engage with the energy market and to improve their experiences of switching. The current poor consumer perception of switching is a significant barrier to engagement and we support Ofgem's aims in incentivising all suppliers to improve their performance in this regard.

However, as explained in our answers to the consultation questions (see Annex 1 attached), we have a number of concerns about Ofgem's detailed proposals to introduce new Guaranteed Standards (GS) in this area. We think that Ofgem's proposals could have a significant impact on suppliers as currently proposed as well as risking the benefits already achieved by the Energy Switch Guarantee (ESG). We think a more proportionate alternative proposal would be to introduce GS relating to erroneous transfers (ETs), since it is typically ETs which cause consumers the greatest inconvenience and distress, but not introduce the GS relating to delayed switches, timing of final bill and credit refunds which are already covered by the ESG.

We would highlight in particular the following points:

- We are concerned that introduction of new Guaranteed Standards (GS) relating to switching speed, issuing of final bill and refunding credit balances may have the unintended consequence of undermining the industry-led Energy Switch Guarantee (ESG). Once suppliers have invested in setting up internal processes to ensure that they comply with GS requirements, they may see insufficient incremental benefit from participation in the ESG. To date, suppliers have made significant efforts (encouraged by Ofgem) to publicise the ESG to consumers with a view to changing public perceptions of switching and improving overall engagement. This important benefit risks being lost if the new GS are introduced as proposed. We believe it is in the overall interest of consumers to focus instead on improving the effectiveness of the ESG and expanding its membership.
- Without prejudice to the above point, we disagree with the proposed ratio of gaining and losing supplier compensation payments in respect of delayed switches. To avoid distorting incentives and creating unfairness between suppliers it is important that the ratio reflects the respective contributions of gaining and losing suppliers on average to causing delays. Our analysis suggests that if the gaining supplier pays £30

compensation, the correct amount for the losing supplier would be around £5 not £15 as proposed by Ofgem. Moreover, we believe it would be more proportionate not to require the losing supplier to pay any compensation for delayed switches, given this reduced compensation amount and the practical difficulties associated with the losing supplier paying compensation,

- We are concerned that Ofgem appears to be proposing unlimited compensation payments where there is a repeated delay in providing a service or payment. Whilst we agree that suppliers should generally be held accountable for repeated delays, we do not think they should be exposed to disproportionate compensation costs, such as might arise, for example, if a failure goes undetected for months on end. The current GS arrangements cap compensation for each failure at twice the base amount (to cover the failure itself and any additional payment where compensation is not provided within the required timescales), and we think that a similar cap should be retained for the proposed new GS.
- Ofgem is proposing only a two month implementation period for implementation of the new GS. We think this will be far too short if Ofgem proceeds with the full range of GS proposed in the consultation as changes will be required to both internal and external systems and there will be additional requirements for training agents once system changes have been implemented. Suppliers cannot begin to make changes while the proposals are still in draft form and therefore we believe a more realistic timeline would be between three to six months after Ofgem publishes its decision, dependent on the scale of change which is finally proposed.

Should you wish to discuss any of these points further then please do not hesitate to contact me.

Yours sincerely,



Richard Sweet
Head of Regulatory Policy

SUPPLIER GUARANTEED STANDARDS OF PERFORMANCE: CONSULTATION ON SWITCHING COMPENSATION - SCOTTISHPOWER RESPONSE

Chapter 2: Switching Compensation: Proposed new Guaranteed Standards

Question 1: Do you agree that the aims of the Guaranteed Standards are aligned with and complementary to the industry-led operation of the Energy Switch Guarantee? We would be interested to see any proposals that you think would better support a continued combination of voluntary industry action and regulatory incentives to deliver better switching outcomes to consumers.

We do not agree that the proposed Guaranteed Standards (GS) are complementary to the industry-led operation of the Energy Switch Guarantee (ESG). We are concerned that if items A, E and F of the proposed GS are introduced, suppliers may see little benefit in continuing to operate the ESG since it will largely have been superseded by the GS. In particular, once suppliers have invested in setting up internal processes to ensure that they comply with GS requirements, they may see insufficient incremental return from time spent administering the ESG.

One key aspect of the ESG that is unlikely to be replicated by GS is its relatively high public profile. Suppliers have made significant efforts (encouraged by Ofgem) to publicise the ESG to consumers. Ofgem's survey evidence has consistently found that consumers have a poor perception of the switching process – particularly those who haven't switched recently. The ESG publicity programme makes an important contribution to changing public perception and improving overall engagement, and this important benefit is likely to be lost if the new GS are introduced as proposed.

The ESG has also been successful in driving up supplier performance. In ScottishPower's case, prior to becoming a signatory to the ESG we undertook a review of our processes to ensure that we could meet and maintain our performance as a signatory. Since becoming a signatory to the ESG we have valued the benefit we gain from being able to promote our participation via our correspondence and website, and have a continued focus on our performance in each of the areas covered by the ESG. Given that both the ESG and GS provide strong incentives to improve performance, we do not believe the GS proposals will have significant additional impact (other than for suppliers who are not signatories to the ESG).

Our alternative proposal would be to introduce GS relating to erroneous transfers (ETs) (items B, C and D), since it is typically ETs which cause consumers the greatest inconvenience and distress, but not introduce the GS relating to delayed switches, timing of final bill and credit refunds (A, E and F). Instead, we propose that renewed emphasis is given to promoting the ESG, encouraging more suppliers to join and using it as a tool to improve supplier performance. The ESG already covers over 90% of the market and there are plans to publish individual supplier performance later this year, which would allow Ofgem to focus on suppliers that are not currently hitting the agreed industry performance as well as encouraging those not signed up currently to do so.

Chapter 3: Next Steps and Implementation of Regulations

Question 2: Do you agree with our proposed new performance standard for delayed switches?

As explained in response to Question 1, we do not agree with the proposed new performance standard for delayed switches as this will undermine the operation of the ESG.

If Ofgem does proceed with this new performance standard, we think that only gaining suppliers should be required to provide compensation.

Although we understand why in principle it might be appropriate for losing suppliers to pay compensation, we think it would be disproportionate for this performance standard given the relatively small contribution of losing suppliers to delays and the administrative costs involved. We explain our reasoning in more detail in response to Question 4.

Question 3: Beyond the licence definition of “valid switches”, do you believe any additional exemptions are necessary to cover scenarios whereby a switch cannot be completed within 21 calendar days?

We agree that in addition to the current exemptions set out in SLC 14A, it may be appropriate to include exemptions for:

- Public Holidays: suppliers could either be exempt from paying compensation if the 21 day window includes a Public Holiday, or the 21 days could be extended for each Public Holiday that falls under the 21 day period.
- Price comparison websites: As Ofgem notes, suppliers may experience a delay in receiving a customer’s switch request from a PCW, which may in turn cause it to exceed the 21 days. In theory, if a supplier is liable for GS payments as a result of a delay on the part of the PCW, they would seek to pass on that liability to the PCW via contract terms. However, given the relatively strong bargaining position of PCWs, this may not be possible in practice.

Question 4: Do you agree with our approach for losing suppliers compensating consumers?

Losing supplier compensation for delayed switches (GS A)

As explained in response to Question 1, we do not agree with the proposed new performance standard for delayed switches as this will undermine the operation of the ESG.

If Ofgem does conclude that compensation should be paid for delayed switches, we think that only the gaining supplier should be required to pay compensation, for reasons explained below.

The advantage of no-fault compensation is that it substantially reduces administration costs as there is no need for any process for suppliers to agree allocation of fault for every failure. The disadvantage is that it provides blunter incentives and may lead to unfair outcomes between suppliers. In order to minimise these distortions, particularly where there is a wide range of switching performance across suppliers, it is essential that *on average* the quantum of compensation paid by gaining and losing suppliers is in proportion to their respective contributions to the cause of delays. Ofgem’s proposed quantum of £30 (gaining) and £15

(losing) would be appropriate if losing suppliers were the cause of one third of delays. This is far from the case.

A good indication of the relative contributions of gaining and losing suppliers to delays can be obtained by considering the difference between the industry average percentage of delays and the percentage achieved by the best performing suppliers. Ofgem estimates that industry wide, 9% of switches were delayed for invalid reasons in 2017 (paragraphs 1.3 and 2.3), and we would note that in the same year ScottishPower was able to achieve a success rate of 98%, equivalent to only 2% of switches being delayed for invalid reasons. If ScottishPower can reduce the proportion of delayed switches from 9% to 2%, this suggests that at least 7% must be under the control of the gaining supplier and hence no more than 2% under the control of the losing supplier.

	% of switches (industry average)
Delayed for reasons under control of gaining supplier	≥7%
Delayed for reasons not under control of gaining supplier	≤2%
Total delays	9%

On the basis of the above estimates we would suggest that losing suppliers should pay no more than 2/7th of the compensation paid by gaining suppliers. If the gaining supplier pays £30, then a proportionate amount would be somewhat less than £8.57, say £5 as a round figure, not the £15 suggested by Ofgem.

If the correct amount of compensation is only £5, we doubt that it is worth the cost of administering, particularly given the practical difficulties for the losing supplier in identifying when a switch has been delayed. Ofgem recognises these difficulties and suggests that suppliers would only be liable to pay compensation if they were aware of the delay, for example as a result of the customer requesting compensation. However, although such an approach may be possible in theory, it is likely to be cumbersome to administer, particularly if there is a risk of fraudulent claims and a need for validation processes. For this reason we think that the losing supplier should not be required to pay compensation in respect of this performance standard.

Losing supplier compensation for failure to agree ET within 20 working days (GS B)

We do not disagree with the proposal to require losing suppliers to pay compensation for failure to agree an ET within 20 working days. Given that both losing and gaining suppliers need to cooperate to reach agreement, it makes sense for both to be incentivised. However, as with compensation for delayed switches, we think that the relative quantum of compensation should reflect the relative contribution, on average, of gaining and losing suppliers to ETs. We suspect that Ofgem's proposed 2:1 ratio may over-state the contribution of losing suppliers and would encourage Ofgem to come forward with evidence to substantiate its proposal, perhaps on a similar basis as we have presented above for delayed switches.

Losing supplier compensation for agreed ET (GS C)

As with GS B above, we do not disagree in principle with the losing supplier paying compensation, but the amount of compensation must be proportionate, and we suspect that Ofgem's 2:1 split between gaining and losing suppliers may over-state the proportion of ETs attributable to (or which could be prevented by) the losing supplier.

Question 5: Do you agree with our proposal to revise this performance standard to align to new faster switching requirements in the future?

Yes we agree in principle with the proposal to revise performance standard A to align to new faster switching requirements in the future. We would suggest there should be a phased approach, in line with the progress of the switching programme. If in future different suppliers commit to switch customers at different speeds (eg next day or five days), consideration will need to be given to how this is reflected in the performance standard.

Question 6: Do you agree with our proposed new performance standard for failure to agree whether a switch is erroneous or not?

Yes we agree that the proposed new standard B will focus suppliers' attention on agreeing whether an erroneous transfer has occurred and that it should improve the process.

Before the standard comes into effect it will be important that a clear process and escalation procedure is agreed between all suppliers. As the escalations process is still under review in both MRA and SPAA, we would be keen to see the outcome of this review prior to any decision from Ofgem on the next steps.

Question 7: Do you agree with our proposed new performance standard to ensure a consumer is not erroneously switched?

Yes we agree that the proposed new standard C will focus suppliers' attention on preventing erroneous transfer taking place.

Question 8: Do you agree with our proposed new performance standard for sending the "20 working day letter", as currently required by the ET Customer Charter?

We do not agree with this proposal as it stands. This performance standard overlaps with standard B (agreeing whether the switch is erroneous within 20 days), such that if standard B is breached, it is inevitable that standard D will also be breached, and the customer will receive £90 compensation.

We think that the £30 compensation under this standard should only be payable if standard B has not been breached but the "20 working day letter" is still late.

Question 9: Do you agree with our proposed new performance standard for sending final bills?

As explained in response to Question 1, we do not agree with the proposed new performance standard for sending final bills as this will undermine the operation of the ESG.

Ofgem suggests that if such a standard is introduced, it will consider in due course whether the six week requirement is still appropriate and whether it should be amended or replaced based on the introduction of smart meters and faster switching. If Ofgem does proceed with the standard, we do not think Ofgem should be looking to change the current requirement of issuing a bill within six weeks of a switch until smart implementation is complete. Once smart implementation is complete it would be reasonable to consider whether the performance standard can be tightened.

Question 10: Do you believe any explicit exemptions are necessary for scenarios whereby suppliers are unable to issue a final bill within six weeks?

We agree that a final bill can normally be issued within six weeks on the basis of actual or estimated reads. We believe that there should be a small number of explicit exemptions to cater for situations where it may not be reasonable to expect the supplier to achieve the six week target. These would include circumstances where at the time the final bill is due:

- there is insufficient information available to the supplier (or reason to doubt the integrity of available information) to produce a reasonable estimate of the closing meter reading;
- the supplier is still waiting for an agreed industry process to complete (eg the agreed read process or disputed read process).

We do not believe that the proposed standard should apply in situations where the supplier needs to reissue a final bill (eg as a result of the customer providing an actual read). This would be consistent with the supply licence, where SLC 27.17 requires final bills to be issued within six weeks of change of supply, but SLC 27.18 simply requires corrected final bills to be issued as soon as reasonably practicable after the subsequent information becomes available.

Question 11: Do you agree with our proposed new performance standard for refund of credit balances? Views would be welcome on whether it is reasonable to consider that a customer deciding to switch supplier should be considered to have requested any outstanding credit balance from their losing supplier, and that refunding that credit balance within two weeks of a final bill would be timely.

As explained in response to Question 1, we do not agree with the proposed new performance standard for refund of credit balances as this will undermine the operation of the ESG.

If Ofgem does proceed with this standard, we agree that a customer deciding to switch supplier can reasonably be considered to have requested any outstanding credit balance from their losing supplier, with the exception of prepayment customers – see below.

Credit meter customers

We consider that refunding within 14 days of a final bill being issued would be timely for credit meter customers, subject to the following:

- The ESG quarterly reporting template allows two exceptions for refunding within 14 days, which we think are reasonable and should be retained:
 - i. where the supplier does not have all of the information it requires in order to process the refund, eg a forwarding address or a bank account;
 - ii. where the customer has not provided an accurate meter reading and there is no agreed read from the new supplier.
- Similar to point (ii) above, there should be an exception where the disputed reads process has been initiated. This can be initiated by the customer or either supplier and generally takes longer than 14 days.

- Where a dual fuel customer switches both fuels, the 14 day deadline for both fuels should be from the later of the two final bills (see our response to Question 13).
- We think there should be an exception for credit payments below a certain level, so that suppliers have the option to set a minimum threshold for refunding credit balances by cheque (see our response to Question 11).

Prepayment meter customers

We do not think it is appropriate for this standard to apply to prepayment customers. If a prepayment customer has a credit on their meter on the date that they switch, this credit is likely to be used to pay for energy consumed after the switch date. (And similarly, if the customer mistakenly tops up using their old prepayment card, the top-up amount can be used for consumption from their new supplier.) To deal with this, there is an industry process in place, the 'misallocated or misdirected payments claims procedure', which enables the gaining supplier to recover relevant credit balances from the losing supplier. The majority of credit balances are recovered through this process, and any unallocated credit balances remaining after five years are allocated to suppliers according to market share. Accordingly, in most cases it is not appropriate to refund prepayment credit balances and we do not have an automatic process to do so, but customers are prompted to contact us for a refund if they believe one is due.

Question 12: Do you believe we should add any other new performance standards?

No we do not believe there should be any other new performance standards.

Question 13: Do you agree with our approach to dual fuel switches?

Ofgem is proposing to treat a dual fuel switch where both fuels switch to the same gaining supplier as a single switch (paragraph 2.49). If any of the proposed standards is not met by the gaining supplier in relation to either or both fuels, this would be considered to be a single breach of the relevant standard. We assume that the same principle would apply to breaches by the losing supplier, ie if any of the proposed standards is not met by the losing supplier in relation to either or both fuels, this would be also considered to be a single breach of the relevant standard.

We agree with the above proposal subject to the following:

- In relation to standards for the losing supplier, we think the above principle should apply to any dual fuel switch, regardless of whether the customer switches both fuels to the same gaining supplier or two different suppliers, as long as the switches take place around the same time. Requiring losing suppliers to identify whether a customer has switched to the same gaining supplier for both fuels is likely to introduce significant additional complexity to their processes. Moreover, it feels disproportionate that a losing supplier should be exposed to greater compensation payments where a customer chooses to switch its fuels to two different suppliers than if they choose a single supplier.

- The standard for refund of credit balances by the losing supplier should be amended so that if a dual fuel customer switches (whether to the same or different gaining suppliers), the refund deadline for both fuels is 14 days after the later of the two final bills. Even with dual fuel switches to the same gaining supplier, electricity and gas accounts may switch on different dates, with the result that final bills may be issued separately and on different dates. Our current policy is to wait for both final bills to be issued before refunding a credit balance, so that if one account is in debit and the other in credit, a single payment of the net credit balance can be made. This is more convenient for the consumer than receiving a refund followed by a request for payment.

Question 14: Do you agree that where both gaining and losing suppliers are involved in the process covered by a guaranteed standard then both should pay compensation where the standard is breached? Please provide views, with any evidence you may have, on the appropriate split of responsibility between the gaining and losing supplier for each of proposed Guaranteed Standards A, B and C.

Where both gaining and losing suppliers are involved in the process covered by a GS, and where both have some control over whether the standard is met, we agree that in general both should be incentivised to avoid breaches of the standard. However, for reasons of proportionality and practicability, it may in some cases be appropriate for only one party to pay compensation.

As explained in our response to Question 2, we do not think it is appropriate for the losing supplier to pay compensation in respect of delayed switches. Our analysis suggests that the losing supplier has a much lower share of responsibility, no more than 2/7th that of the gaining supplier (see our response to Question 4). If the gaining supplier pays £30, then a proportionate amount would be somewhat less than £8.57, say £5 as a round figure, not the £15 suggested by Ofgem. Given the relatively small amount and practical difficulties in administering it, we think it would be better for only the gaining supplier to be required to pay compensation.

Question 15: Do you believe additional safeguards are needed to ensure suppliers are not liable for payments if consumers have acted in bad faith?

As Ofgem notes, the existing GS regulations allow for circumstances where a supplier considers actions by a customer to be frivolous or vexatious. We agree that these remain appropriate safeguards for any new GS that are introduced. In addition, we think there could be additional situations where a customer acts in bad faith which Ofgem should consider for additional exemptions.

In particular, we think there could be instances where a customer's actions in seeking compensation payments could be considered fraudulent rather than frivolous or vexatious, particularly if Ofgem introduces requirements for losing suppliers to pay compensation as the losing supplier will not have the same level of information as the gaining supplier to confirm the customer's claim is valid.

A second area of risk relates to Ofgem's proposal for unlimited compensation where suppliers fail to make compensation payments promptly or repeatedly fail to resolve a problem. As we explain below (responses to Questions 20 and 21), there is a risk that if a failure to pay compensation or a failure to perform a service goes undetected, very large sums of compensation could be payable (over £1,000 if undetected for a year). Unless Ofgem amends the proposals to cap the liability (which we believe it should), this could

create a perverse incentive on consumers to remain silent about the failure so as to maximise the value of the compensation they ultimately receive. We consider that such behaviour would be in bad faith, and suppliers should only be liable for repeat compensation payments if they have been reminded by the consumer that the matter is overdue.

Question 16: Do you agree with the proposed two-thirds to one-third ratio of compensation payments between gaining and losing supplier in the cases of Guaranteed Standards A and C, and an equal share in the case of Guaranteed Standard B? Please provide any evidence you have to support your views.

As noted in response to Question 14, we do not agree with the proposed two-thirds to one-third ratio of compensation payments between gaining and losing supplier in the case of Guaranteed Standard A. In this case we agree that the gaining supplier should pay £30 but the losing supplier should not pay compensation (or if it does, it should only pay £5).

In the case of standards B and C, we do not necessarily disagree with the proposed splits but would encourage Ofgem to substantiate its proposals based on evidence of the parties' respective contributions to the cause of ETs.

Question 17: Do you agree that compensation payments where both suppliers are involved should be £30 or £15 in the cases of Guaranteed Standards A and C, and £30 for both suppliers in the case of Guaranteed Standard B?

We assume this question relates to the overall amount of compensation rather than the way it is split between gaining and losing supplier.

Our main observation in this regard is that the customer inconvenience caused by ETs is generally greater than caused by other delays. As we have explained above, we believe that the new GS should be limited to ET-related items (B, C and D). However, if Ofgem does proceed with items A, E and F, we believe there is a case for making the total compensation less than for ETs – which could be achieved by reducing the losing supplier compensation for GS A to £0 or £5, as we have suggested elsewhere.

Question 18: Do you agree with our proposals that all other proposed Guaranteed Standards (D), (E) and (F) should be subject to compensation payments of £30, in line with existing guaranteed standards?

In principle, yes, however as stated previously we believe Ofgem should drop Standards E and F for the present in favour of an enhanced ESG.

Even if GS F is introduced, we believe that there should be an exemption for credit payments below a certain threshold, so that suppliers have the option to set a minimum threshold for refunding credit balances by cheque. Although ScottishPower does not currently operate such a threshold, we are aware that some customers may be annoyed at receiving cheques for very small amounts, and we may wish to review our policy in the light of customer feedback.

Question 19: Do you agree suppliers should be required to make all payments in 10 working days?

There are certain circumstances where it may be difficult to make payments within 10 working days, eg, if we do not hold bank account or contact details for the recipient, and we believe there should be an exemption in these cases.

Question 20: Do you agree with our proposals to require additional payments to be made for failure to compensate consumers promptly?

We do not agree with the proposal in paragraph 2.71 that suppliers should be required to pay the same compensation again *for every 10 working days* that they fail to compensate the consumer.

Ofgem's proposal is inconsistent with the existing GS regulations. Paragraphs 9(1) and 9(2) of the Standards of Performance Regulations 2015 set an explicit cap on the total compensation that would be paid to a customer for a failure of a GS. Paragraph 9(1) limits payments for the failure itself to one £30 payment, even where the failure is ongoing, while paragraph 9(2) sets out a similar limit on any continuing failure to pay the initial compensation payment within 10 working days. This in effect creates an overall cap of £60 compensation for the failure of a standard.

Ofgem has provided no justification for departing from existing GS guidelines, and we would be concerned that Ofgem's proposals could result in excessive and disproportionate levels of compensation being paid. Suppose for example that as a result of a system glitch, a £30 payment fails to go through, and the supplier is only notified by the customer after a year has elapsed. The supplier would then be liable for $36 \times £30 = £1,080$ additional compensation. Although we accept that suppliers should be accountable for such system glitches, the cost of compensation must still be proportionate. We would suggest that the total compensation should be capped at twice (or failing that a small multiple of) the base amount.

Question 21: Do you agree with our proposals to require additional payments to be made by suppliers if they fail to resolve problem?

We do not agree with Ofgem's proposals in paragraph 2.72 to require additional payments to be made by suppliers if they fail to resolve a problem within 10 working days. These proposals go far beyond existing GS failure guidelines, where liability is capped at one compensation payment for a failed GS. Only where a supplier failed to make this payment within the required timescales would an additional compensation payment be due to the customer.

As with our answer to Question 20, we think there should be a cap on the total amount of compensation payable in respect of repeat failures. Without a cap, it would be possible for suppliers to be required to pay out excessive and disproportionate amounts of compensation, for example where a failure goes undetected for, say, a period of a year. Although suppliers should be accountable for such failures they should not be exposed to a compensation cost which is disproportionate. We would suggest that the total compensation should be capped at twice (or failing that a small multiple of) the base amount.

Without prejudice to the above, if large compensation payments are to be required, there should be an onus on the customer to notify the supplier that they are still waiting for the service or payment in question. Otherwise there may be a perverse incentive on the customer to keep quiet in the hope that the compensation amount will build up. As noted in

response to Question 15, we think such behaviour should be considered to be acting in bad faith.

Finally, if there is to be no cap (or a weak cap) on the total amount payable, we think the 10 working day period for additional compensation is too short and should be increased to mitigate the disproportionate impact to suppliers set out above.

Question 22: Do you agree that the new Guaranteed Standards should be introduced for domestic suppliers only?

Yes, we agree that the new Guaranteed Standards should be introduced for domestic suppliers only.

Question 23: Do you agree that no changes are needed to requirements regarding the provision of information to consumers?

We agree that no changes are required to the provision of information to consumers.

Question 24: Do you agree that we should expressly require suppliers to keep accurate records of their Guaranteed Standards performance?

Yes we agree that there should be a requirement that suppliers keep accurate records of their Guaranteed Standards performance.

Question 25: Do you agree that Ofgem should have the power to request an audit of individual suppliers' Guaranteed Standards performance?

Yes, we agree that Ofgem should have the power to request an audit of individual suppliers' Guaranteed Standards performance. However, we think the power should be conditional on Ofgem having reasonable grounds to suspect that there is a problem with that supplier's performance, and the terms of reference for the audit should be agreed with the supplier, to ensure that they do not result in disproportionate cost.

Question 26: Do you agree that we should mandate quarterly Guaranteed Standards performance reporting from all suppliers?

Yes, all suppliers, large and small, should be required to submit quarterly Guaranteed Standards performance reporting.

Question 27: Do you agree with our plans to publish individual supplier Guaranteed Standard performance?

Yes, we agree with Ofgem's plans to publish individual supplier Guaranteed Standard performance. We also expect that standards A, for gains and E and F will be published as part of the Energy Switch Guarantee later this year which will be beneficial to consumers when choosing a supplier.

Question 28: Do you agree with our proposal to retain the existing dispute resolution procedure within the Regulations?

Yes we agree with the proposal to retain the existing dispute resolution process.

Question 29: Do you support the option of higher compensation payments for switches that go wrong where the supplier has attempted to switch the customer faster than five working days during the Switching Programme transitional phase?

No, we believe the payments should be set at the same level regardless of the speed of switch. To do otherwise risks penalising suppliers who proactively try to provide a faster switching service.

Question 30: Do you agree with our proposal to allow suppliers and other bodies a two-month implementation period to make necessary adjustments to comply with the new Guaranteed Standards after we publish our decision?

We believe a two month implementation period will be far too short if Ofgem proceeds with the full range of Guaranteed Standards proposed in the consultation. Suppliers cannot begin to make changes while the proposals are still in draft form.

The proposed changes will potentially impact both internal and external systems and there will be additional requirements for training agents once system changes have been implemented. Even if it were possible to make the system changes in the timescales proposed, the training requirements would fall in the run up to Christmas when call centres will be at their busiest.

We believe a more realistic timeline would be between three to six months, dependent on the scale of change which is finally proposed.

ScottishPower
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