



Sent by email to: CDsonsultations@ofgem.gov.uk

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E (Gas & Electricity) Ltd Response to Ofgem's Prepayment self-disconnection and self-rationing call for evidence

E welcome the opportunity to respond to Ofgem's Call for Evidence on Prepayment self-disconnection and self-rationing.

E is a domestic energy supplier, supplying gas and electricity to over 300,000 Prepayment meters to customers nationwide.

Should you have any questions or would like to discuss our response in further detail, please do not hesitate to contact us.

Q1: Are there any categories that we have not captured in Table 1? We welcome views and evidence on the main causes of self-disconnection and groups of customers who are more likely to self-disconnect and experience detriment.

E agree with the categories and reasons listed in Table 1 but believe that one further point should be incorporated to include customers with a Smart Prepayment Meter that switch supplier.

With a traditional Prepayment meter, any credit balance remains on the meter during the Change of Supplier process. The customer continues to use this credit with the gaining supplier. Prepayment customers are generally familiar with this process.

However, with a Smart Prepayment meter, any credit balance cannot remain on the meter so the losing supplier must refund any outstanding credit to the customer.

E see examples of customers in vulnerable situations declaring that they have or are at risk of self-disconnecting upon joining E due to affordability because they do not have any additional funds to vend whilst waiting for their credit to be refunded.

E would also highlight that the example provided for '**Customers repaying a debt through PPM (eg customer on unsuitable debt repayment arrangements)**' can also impact new tenants to a property where the previous occupier has built up a debt and not informed the supplier that they have moved out. Where new tenants then also fail to notify the supplier that they have moved in to the property they may unknowingly be repaying the debt value through their top-ups. This is likely to increase the chances of that customer self-rationing and ultimately self-disconnecting.



E agree that customers in vulnerable circumstances are at risk of accumulating standing charges outside periods of energy use. This is a well-known issue for customers not using gas during the summer months. E have introduced tariffs that feature no daily standing charges to help reduce the impact of this particular problem for customers.

Q2: We seek views and evidence on how self-disconnection and self-rationing is being monitored for customers on traditional PPMs. We welcome views on how effective current practices are.

E believe that Smart functionality greatly improves a supplier's ability to monitor and prevent against customer self-disconnection and self-rationing. It is more difficult to monitor these where customers have a traditional Prepayment meter due to the lack of information and data we receive from the meter.

Where customers engage with E, we are able to assist these customers primarily through a discretionary credit offering and energy efficiency advice. Advice may be provided by telephone or in writing. In addition to this we can advise customers of any cheaper available E tariffs where applicable.

Importantly E do not penalise customers for leaving with a termination charge so if customers are struggling to pay and there are cheaper tariffs available with other suppliers they can leave E without experiencing further financial detriment.

We welcome the opportunity to be able to further assist and support our most vulnerable customers who may be at risk of self-disconnection due to affordability issues through Warm Home Discount (WHD) rebates and Industry Initiative funding from WHD Scheme Year 9.

Where customers do not engage with E, we are able to monitor vend frequency in an attempt to spot self-disconnection and contact these customers for support. We recognise however that aside from financial difficulty, there a number of other reasons why a customer may stop vending for a period of time and these include the customer moving out and the property becoming vacant, customers going on holiday, faulty meters and instances where customers choose to bypass meters.

We agree that self-rationing is an issue not just for Prepayment customers and believe that educating customers through appropriate and tailored energy advice and identifying eligibility for home efficiency measures through the Energy Company Obligation (ECO) can help with this. We look forward to being able to fund delivery of such ECO measures to our customers in the next 12 months.

Q3: We seek evidence of examples where PPM customers were at risk of self-disconnection or who self-disconnected for affordability and/or operational and/or forgetfulness reasons, the impact on these customers, and how the situation was resolved.

No specific examples, however E have a defined set of support currently available to assist these customers which are explained in responses to other questions.



Q4: We seek views on what great support service looks like for customers at risk of self-disconnection or who self-disconnect. We welcome examples of supplier good practice in dealing with self-disconnection and self-rationing.

E provide both emergency and friendly credit functions to customers and advise of the availability of both of these on the E website (www.e.org) and on documentation that is sent to all new customers.

E's frontline staff are trained on how to advise customers to access emergency credit functions and provide appropriate energy efficiency advice.

E have a discretionary credit function available to customers to help prevent against self-disconnection and minimise self-rationing. Any discretionary credit provided is to be paid back by the customer through future top-ups. An appropriate debt recovery rate is agreed with the customer and considered on a case by case basis in line with Ability to Pay principles. Our Priority Services Register can aid us in understanding customer's individual circumstances when discussing debt repayment including highlighting temporary financial hardship.

In addition, all Smart Prepayment customers are provided with a user guide containing information on how to use the meter, how to access emergency and friendly credit and topping up. This helps prevent operational issues around customers not understanding the meter functionalities.

E have a 'low credit alert' feature on the Smart Prepayment In-Home Display (IHD) that we provide alongside Smart installations. This alert is set at £2.00 as standard however customers can choose to adjust this level to their preference.

The ability for Smart Prepayment customers to top-up their meter remotely also helps prevent self-disconnection due to operational issues. E are developing improved Smart app functionality to provide Smart Prepayment customers with more information to help them manage their usage and spend.

Q5: We welcome views from all stakeholders on the emergency, friendly, and discretionary credit functions. How well do you think these features work?

E have a discretionary credit function available to customers to help prevent against self-disconnection and minimise self-rationing. E believe this is an important offering to support customers in financial difficulty however we also see some customers requesting this support on multiple occasions and becoming dependent on this support.

E offer all customers emergency credit on each meter in addition to friendly credit hours during evenings and weekends. We recognise that these functions are vital to support some vulnerable customers but should be used as a short term fix only. We have seen instances whereby customers enter a cycle of emergency/friendly credit use followed by discretionary credit. These customers are not self-managing their energy costs.



We also see that customers who are leaving us (either through a Change of Supplier or Change of Tenancy) may take advantage of this emergency credit and build up a debt which is difficult for us to recover when they leave.

Q6: We welcome examples of any recent good practice examples on steps taken to provide sustainable support to PPM customers who self-disconnect and/or self-ration.

No specific examples, however E have a defined set of support currently available to assist these customers which are explained in responses to other questions.

Q7: We welcome views on how you perceive the collaboration between stakeholders should operate and what type of organisations you believe will play a central role in this process.

E believe that Government proposals to use new data matching powers under Part 5 of the Digital Economy Act to enable the automatic identification of customers eligible for the Warm Home Discount should be progressed in time for Warm Home Discount Scheme Year 9. The Warm Home Discount provides vital assistance to customers who are in or at risk of fuel poverty and should help prevent self-disconnection and the need to self-ration.

Yours sincerely,

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