



## Response to Statutory Consultation: Extending protections for non-E7 restricted meter customers (SLC 22G)

October 2020,

I am writing to provide the views of the Scottish Government on Ofgem's Statutory consultation on extending protections for non-E7 restricted meter customers (SLC 22G)

We welcome Ofgem's extension of the license conditions. Restricted meter consumers have consistently paid higher costs for their energy and, as we have highlighted in previous consultation responses, this is an area that is particularly impactful to Scottish consumers. We also strongly support the option to extend the relevant conditions beyond June 2025 should the need arise.

Unfortunately, following findings from Citizens Advice Scotland and others it has become apparent that the license conditions do not go far enough in supporting these consumers. There is still a genuine lack of choice for those on restricted meters meaning that limited numbers of consumers choose to switch tariff or supplier. We believe that extending the remedy is the right decision but, in order to support this, additional steps must also be taken to reduce detriment for consumers using these meters.

Knowledge of the CMA remedy and the subsequent license condition is limited and the arrangement remains highly complex for consumers. In order to increase this, clear communication of a simple license condition that makes clear the need for consistency across the industry is required. There is also a need for improved training for energy company staff. Ofgem can take a leading role in driving improvements in these processes by proactively highlighting best practice amongst suppliers whenever possible

Beyond this, the industry needs to do more to move consumers off restricted tariffs where possible on to other low cost alternatives in order to allow these consumers to benefit from the energy systems transition. This need should also be fully considered in future policy changes by devolved and UK Governments (for example the Future Market Review). As a minimum, it should be ensured that restricted meter households are not refused transfers to

a standard meter. Ofgem should also encourage suppliers (through licence conditions or otherwise) to prioritise moving restricted meters to suitable SMETS 2 smart meters that are designed and tested with the needs of these consumers in mind.

Overall, the Scottish Government supports the proposed license condition and commend Ofgem on the decision to extend it. In order to ensure a minimum of detriment for consumers however Ofgem should consider further actions to protect consumers.

Yours Sincerely

**Peter Brearley – Senior Policy Advisor – Scottish Government.**