

Helen Harper
Manager, Consumer Policy
Consumer Policy and Insight
Ofgem
9 Millbank
London, SW1P 3GE

3 November 2011

Dear Helen

Re: Consumer Focus response to consultation on proposed changes to social obligations data

Consumer Focus strongly welcomes the opportunity to comment on Ofgem's proposed changes to the social monitoring statistics.

Number of customers in debt

We welcome the broadening of the measure to include the number of customers in arrears for longer than 91 days/13 weeks. We are content that Direct Debit customers should only be included if they have been put on a Direct Debit scheme specifically to repay a debt.

Furthermore we are aware that Ofgem is seeking to collect further information on non domestic disconnections. We broadly support this move.

We believe that Ofgem should consider what information should be collected on consumers signed up to the Green Deal such as disconnections and debt arrears of Green Deal recipients. While the Green Deal will not be launched until late 2012, suppliers will need to build in time for the system changes to ensure they are able to collect and report upon this information from the start.

Repayment rates

We agree that Ofgem should continue to monitor weekly average repayment rates and welcome the collection of data from suppliers on the number of customers who have failed to make their repayments as part of an agreed arrangement in order to provide a clearer picture of whether suppliers are setting realistic payment arrangements.

We support the proposal to split the repayment rates of credit customers by payment method and by payment amount.

Disconnection

We support the collection of information on the number of customers who have had a PPM installed on a warrant with a blanking disc¹. However we believe that this figure should be split out from the overall disconnection figures in the supplier returns.

We support the collection of the number of disconnections a supplier has performed because it was not safe or practicable to install a PPM.

We agree that suppliers should provide the number of disconnected customers who were contacted by telephone or letter within two working days of the disconnection.

We support the renewed collection of the number of gas and electricity customers disconnected for theft.

Smart metering

Consumer Focus has grave concerns about the ability to disconnect customers remotely; which the roll out of smart metering will allow. We believe this practice should be monitored closely including supplier reporting of the number of remote disconnections (to be reported separately from manual disconnections); the number of customers on a load limit; also the number of customers that have been moved onto a load limit because of debt; and the number of customers on a credit limit.

It is important to consider how a limited load is defined. In Consumer Focus' recent response to the Statutory Consultation on the Consumer Protections Package², we explained that establishing what is 'significantly constrained' (as set out in draft SLC 27.9A) is fraught with difficulties as what is considered an essential supply of energy will vary depending on: household size; property type; heating type. For example whether or not they use electricity for heating; appliance use and efficiency eg gas or electric heating; the climate in the area where they live; the health of household members; and the energy efficiency of their home.

Guidance is needed to provide clarity on what constitutes an energy supply to a domestic premises being 'significantly constrained'. A working definition is needed in order to enforce this proposed licence condition amendment and protect customers. We struggle to see how this licence condition can be effective without some way of agreeing and measuring compliance. We recommend that Ofgem works with industry and consumer groups to address this and agrees a matrix of definitions taking various factors into account.

We also believe that the number of consumers with smart meters should be collected by Ofgem as a benchmark for analysis in this area.

Additionally we support the collection of data around the voluntary compensation measures in the Smart Metering Consumer Protection Package including the number of customers disconnected in error; the amount of compensation paid; how long they were disconnected for; and the reasons for these wrongful disconnections.

¹ Where the customer is not present at the property, a gas PPM sometimes cannot be installed because of the inability to purge and relight (ie safely reconnect supply. In these instances it is possible to insert a blanking disc (a special brass disc) in one of the unions of the gas meter. Visually the meter installation looks normal but it prevents gas from getting into the internal supply.

² Consumer Focus response to Smart Metering Consumer Protections Package – Statutory Consultation, 12 August 2011: <http://bit.ly/srUjuh>

Consumer Focus would welcome the opportunity to input into the Ofgem and Energy Retail Association discussion around a common categorisation for reporting wrongful disconnections and common banding for the periods of time that customers were wrongly disconnected.

Prepayment meters (PPMs)

Consumer Focus welcomes Ofgem's proposal to collect data from suppliers on the number of PPM customers on Independent Gas Transporter (IGT) sites; the number of PPM customers on IGT sites repaying a debt; and the total number of customers on IGT sites as a benchmark.

We also support the collection of data about customers who have been remotely switched from credit to prepayment meters to monitor remote switching to PPM as suppliers roll out smart meters.

Energy efficiency advice and information

Consumer Focus believes the current energy efficiency information collected by suppliers is insufficient to monitor what is happening as it does not include whether consumers changed their behaviour as a result of the energy efficiency advice they were given. The 2010 figures show a huge increase in the number of customers who requested energy efficiency advice from their supplier. More detailed information on the energy efficiency advice given and the result of the advice given would allow more detailed monitoring of the situation.


Priority Services Register

Consumer Focus is content that the question about the number of customers who are not eligible to join the Priority Services Register is removed as it is always a nil return.

Changes we propose not to make

Consumer Focus accepts that it is not practical to combine social obligations reporting requirements with those provided by suppliers to the Retail Markets Team.

Yours sincerely,



Audrey Gallacher
Director of Energy