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Email to: FutureConsumers@ofgem.gov.uk

20 December 2024

Dear Steve,

Consumer Standards – 24/7 Metering Support Statutory Consultation

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewables, including onshore and offshore wind and solar generation, as well as energy storage. With over five and a half million electricity and gas customer accounts, including residential and business users, EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

EDF shares Ofgem's ambition to provide customers with a reliable and responsive service when addressing metering issues and ensuring appropriate levels of support for vulnerable consumers at all times. We recognise the importance of delivering prompt assistance for urgent metering concerns, encouraging consumer trust and confidence in the energy sector. EDF remains committed to working collaboratively to achieve these objectives, maintaining a clear focus on the service's core purpose: resolving critical metering issues efficiently. Our aim is to deliver tangible benefits, improve service accessibility, and uphold high standards of customer support, particularly for those in vulnerable circumstances.

We, therefore, welcome the opportunity to comment on Ofgem's proposal to activate dormant SLC 31G.3A(c). While as a responsible supplier dedicated to protecting customers and delivering high-quality service, especially to vulnerable customers, we welcome regulatory initiatives that enhance industry standards, we do not, however, in this instance support the activation of SLC 31G.3A(c) for the following reasons:

Will not achieve stated benefits

The activation of SLC 31G.3A(c) is unlikely to result in the assumed improvements in the current supply reinstatement processes. Conversely, additional regulatory requirements may actually increase operational complexity without delivering tangible consumer benefits. As outlined in our response to Ofgem's Consumer Confidence paper, the most effective driver of consumer confidence is customer perception of the service and outcomes received. If reinstatement timeframes, for example remain unchanged under the proposed framework while consumer expectations are elevated, frustration and dissatisfaction could arise for both suppliers and

customers. This misalignment risks undermining trust in suppliers and diminishing customer satisfaction. Moreover, the added administrative and procedural demands could slow internal workflows, inadvertently delaying supply reinstatement. Such outcomes could counteract Ofgem's broader initiatives aimed at improving customer service standards.

Cost implications

The costs associated with compliance and systems upgrades, process changes, and additional staffing would create an additional financial burden for suppliers. These costs will need to be passed on to consumers as part of Ofgem's ongoing review of the DTC's operational cost allowance. Furthermore, we note that additional compliance costs could create barriers for smaller suppliers and/or new market entrants, limiting market competition and reducing consumer choice.

Lack of co-creation for 24/7 metering provisions

Suppliers have made significant efforts to suggest potential solutions; however, as noted in the consultation, discussions with network operators regarding a centralised solution have failed to progress adequately. As Ofgem knows this lack of advancement stems not from a lack of effort by or proposed solutions from suppliers or Energy UK.

EDF has also proactively addressed concerns about misdirected customer calls by implementing filtering measures to accurately redirect inquiries. However, it remains unclear whether the estimated 83,204 out-of-hours inquiries, identified by Ofgem in the consultation, are directly related to supplier-responsible metering faults. We also note that Customers will continue to face challenges in diagnosing whether a supply fault is the responsibility of their supplier or whether this is the responsibility of the Distribution Network Operators (DNOs) and, therefore, customers are likely to continue to rely on the established 105 contact number for DNOs.

These concerns raise questions about the actual cost of activating and implementing this licence condition and its real value to customers. Instead of imposing additional regulatory burdens, focus should instead be directed on pursuing collaborative, efficient, outcomes-based solutions that provide value for money for bill payers.

Concerns with guidance

The guidance lacks clarity and appears to introduce new requirements without formal consultation. As a matter of principle, clear expectations should be set in the supply licence, rather than through guidance that may bypass established processes. For example:

- A2.12.iii's expectation for suppliers to "resolve all issues at the time" looks to potentially be seeking to exceed current licence condition and GSOP requirements, creating regulatory uncertainty. The phrase "where possible" in the same paragraph also creates ambiguity, particularly when third parties are involved.
- A2.12.iv introduces a broad expectation to consider additional assistance for vulnerable customers, which could overburden the 24/7 enquiry service, delaying urgent responses.
- A2.14 reiterates obligations suppliers are already aware of. This is unnecessary and duplicative.

Implementation timetables

Suppliers are likely to face challenges with recruitment, staff training, contract negotiations, and operational changes, all of which require sufficient time to be executed properly. Ofgem should allow for a realistic timeline to ensure a smooth transition, minimising operational risks and promoting compliance without compromising service quality. Failure to account for these factors could result in insufficient staffing, service disruptions, increased costs, and diminished customer satisfaction, placing undue strain on suppliers and their workforce.

EDF looks forward to continuing its engagement with Ofgem and other stakeholders to develop practical, effective solutions that support the interests of consumers and the energy market.

Our detailed response to the questions set out in the statutory consultation are in the attachment to this letter. Should you wish to discuss any of the issues raised in this letter or have any queries, please contact Tamara Dowson or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read "K. Watson", with a stylized flourish at the end.

Keith Watson
Senior Manager Customers Policy and Regulation

Attachment

Consumer Standards – 24/7 Metering Support Statutory Consultation EDF's response to your questions

Q1. Do you agree with our proposal to activate supplier SLC 31G.3A(c) in order to meet our desired outcome for consumers?

No, we do not agree with the proposal to activate supplier SLC 31G.3A(c) for several reasons.

Firstly, the measure is unlikely to achieve its intended outcomes. It fails to address the underlying issues it aims to resolve, such as enhancing consumer protection, improving market stability, or increasing operational transparency. Without directly targeting these core challenges, the activation risks being an ineffective regulatory adjustment that does not deliver meaningful improvements. Instances where a customer loses supply due to a meter fault will not be resolved faster, nor will service outcomes significantly improve. The absence of measurable enhancements undermines the justification for imposing additional burdens on suppliers and costs on customers.

Furthermore, misalignment between consumer expectations and actual outcomes risks eroding trust, not only in suppliers but also in the regulatory framework itself. Trust is a critical component of the customer-supplier relationship, and such mismatched expectations could undermine the very consumer confidence the proposal seeks to bolster.

The activation also imposes a significant operational burden on suppliers. Compliance with the new requirements would necessitate increased reporting, monitoring, and procedural efforts, which would strain already limited resources.

The measure could also result in unequal impacts on different customer groups. Prepayment meter (PPM) customers, for instance, may be disproportionately affected, inadvertently creating disparities in how various suppliers and market players are impacted depending on the composition of their customer portfolio. Such unintended consequences could exacerbate existing inequalities within the energy market, running counter to the principles of fair competition and regulation.

Q2. Are there any further issues with implementation that we have not considered in this consultation? Please provide any relevant information to evidence the issues.

Yes, Ofgem could have considered several critical issues, as these present significant challenges and unintended consequences.

Implementation timetables

Successful implementation will require comprehensive recruitment, staff training, and contract negotiation to ensure compliance with the proposed new requirements. Depending on the scope of service that must be offered out of usual working hours additional substantial training may be

required which could delay implementation timelines, leading to increased costs for suppliers and introducing further operational challenges. In addition, we will also require a 24/7 IT service function to support in resolving any technical IT issues that occur outside of usual working hours, procuring and putting in place this service will require lead time and would further increase operational costs.

Customer communication challenges

Clear and effective communication with consumers is critical to mitigating potential confusion. Without sufficient efforts to explain the changes, their implications, and what customers can expect, trust in the energy sector could erode further, causing frustration and dissatisfaction.

Barriers to market entry

The measure risks discouraging smaller suppliers from entering or remaining in the market due to significant compliance costs. Smaller or newer market players, which often lack the resources of established suppliers, could find these financial and operational burdens insurmountable. This reduction in competition would limit consumer choice and diminish competition.

Overlapping regulatory changes

The timing of this measure also raises concerns, as overlapping regulatory changes—such as price cap reviews or amendments to other supply licence conditions—could complicate implementation. The cumulative impact of multiple changes may dilute the effectiveness of this measure, creating confusion for both suppliers and consumers while reducing its intended benefits.

The financial burden of compliance, including investments in system upgrades and staff training, is a particular concern in this regard. These costs must be allowed to be passed on via the DTC Operational Cost Allowance. For households already grappling with rising living expenses, we note that additional costs will further exacerbate financial pressures.

Q3. Do you have any comments on the draft Impact Assessment published alongside this document, including the costs and benefits, competition impacts, and unintended consequences?

The draft Impact Assessment does not adequately consider how the costs associated with implementing the proposed changes might translate into higher energy bills for customers, exacerbating affordability concerns.

Although some implementation costs are acknowledged, such as investments in systems, processes, and staffing, it does not sufficiently evaluate the extent to which these costs will be passed on to consumers. Suppliers have limited flexibility to absorb such costs internally, particularly under the constraints of the DTC.

Q4. Does the guidance provide sufficient clarity for suppliers, consumers, and their representatives on Ofgem's expectations and consumer outcomes?

No, the guidance does not provide sufficient clarity for suppliers, consumers, or their representatives regarding Ofgem's expectations and the desired consumer outcomes. For example:

- Although presented as guidance, the phrasing— *“resolve the issue at the time of the enquiry where this is possible, or at the earliest opportunity”* in A2.12.iii — looks to be seeking to impose a significant new obligation on suppliers. This creates ambiguity around compliance expectations and risks extending requirements beyond the current SLC and GSOP framework, without undergoing the proper consultation or alignment with regulatory processes.

The guidance does not clarify what *“resolve the issue at the time”* means in practice, especially for more complex cases involving third-party entities, such as DNOs or metering providers. This lack of specificity leaves suppliers in a position where they are expected to meet unclear obligations.

The phrase *“where possible”* is also open to interpretation, failing to clearly define the limits of a supplier's responsibility and Ofgem expectations. This is particularly problematic in situations where third parties—such as metering agents or DNOs—are integral to resolving issues.

If Ofgem wishes to place new obligations on suppliers, it should follow due process and undertake a formal consultation to amend either existing licence conditions and/or GSOP.

- In addition, A2.12.iv, states, *“The supplier to consider whether a customer requires further assistance, in line with existing licence obligations, especially if that customer is in vulnerable circumstances”*, this appears to introduce a broad and potentially open-ended expectation that goes beyond the intended scope of the 24/7 metering enquiry line. While this clause aligns with suppliers' existing obligations to support customers in vulnerable circumstances, its inclusion in this context risks conflating emergency metering support with broader customer service responsibilities.

The phrasing suggests that suppliers may need to address issues unrelated to the immediate emergency at hand, such as reviewing a customer's tariff, payment options, or other account-related queries. This diverges from the core purpose of the 24/7 metering enquiry line, which is to provide immediate assistance and guidance for metering-related emergencies, such as loss of supply or meter faults. Expanding the scope to include broader customer assistance could overburden the enquiry line, delay responses to urgent metering issues, and reduce its effectiveness as an emergency service.

Moreover, the lack of specificity in A2.12.iv creates ambiguity regarding the extent of the supplier's obligations in this scenario. For instance, does *“further assistance”* mean that suppliers are expected to conduct a comprehensive review of the customer's account during an emergency call? Such an expectation is impractical, especially during out-of-

hours enquiries, where resources are typically focused on resolving immediate metering problems rather than addressing broader customer needs.

The costing data provided in the RFI to support the impact assessment for this consultation specifically reflected the cost of delivering a 24/7 metering enquiry service, not a 24/7 general customer service enquiry service. If Ofgem intends to introduce requirements for a broader 24/7 customer service provision, even if just for a subset of customers, there should be a formal consultation on this matter and an updated impact assessment that accurately reflects the associated cost data and operational implications.

- A2.14, states, *"When providing, or procuring the provision of, the 24/7 enquiry service for customers off-supply due to meter faults, suppliers must also have regard to the guidance for other relevant licence conditions."* Suppliers should be already fully aware of their obligations under the existing regulatory framework, including relevant licence conditions and guidance. There is no additional benefit to reiterating this requirement.
- We also disagree with A2.17, which introduces the expectation that the 24/7 enquiry service should prioritise specific customer categories. The focus should be on providing an emergency enquiry service that is accessible and effective for all customers, rather than introducing disproportionate prioritisation and complexity based on customer characteristics. While it is crucial to ensure vulnerable customers receive appropriate support, the 24/7 enquiry service is fundamentally designed to address urgent supply issues, such as off-supply situations due to metering faults. Introducing additional expectations, as outlined in A2.17, risks diverting focus from this core function and complicating service delivery.

EDF
December 2024