

Jemma Baker
10 South Colonnade,
Canary Wharf,
London,
E14 4PU

Email: FutureConsumers@ofgem.gov.uk

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“Consumer Standards – 24/7 Metering Support Statutory Consultation” – So Energy Response

Dear Jemma,

So Energy is a leading energy supplier providing great value renewable electricity to homes across Great Britain. We supply over 300,000 customers as one of the last challenger suppliers left in the market and one that is backed by ESB Group’s resources and expertise, So Energy is able to provide a unique view of customer service and competition in today’s energy market.

We are concerned that the regulations as currently drafted could lead to outcomes that do not meet customer expectations. Specifically, we wish to highlight the following elements of our response:

1. The Impact Assessment (IA) may not accurately capture ongoing running costs. Some suppliers have stated that they already meet the requirements and therefore there would be zero cost for these suppliers. However, at the same time, there is ambiguity in Ofgem’s expectations regarding this service. We are concerned that suppliers may have stated that they are meeting the requirements without a phone line when Ofgem’s expectations make clear that they cannot conceive of a way to meet the requirements without a phone line. Therefore, these suppliers would in reality face significant additional ongoing costs, which have not been captured.
2. The guidance does not make clear that the emergency line is to be for meter-related loss of supply incidents only. Ofgem need to clearly and unambiguously state this is the case in the guidance. In terms of systems and training, we would not have assumed that agents would be able to provide responses to non-emergency queries when providing our implementations costs. It is essential that the scope of this service is clearly defined so that Ofgem’s impact assessment reflects the requirements.
3. It is essential that the costs set out in Ofgem’s final impact assessment are reflected in the price cap.
4. Implementation timelines are challenging. We cannot tender for a service when there is still so much ambiguity around the guidance (see above). Therefore, we need additional time from the point that the guidance is clarified to run a procurement exercise and get an out of hours phone line in place.
5. We still believe that having separate phone numbers for suppliers and DNOs provides a sub-optimal customer experience. We anticipate this will lead to frustrations for customers.

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

We do not agree with the proposal at this point in time. We are concerned that Ofgem will not provide an adequate allowance within the cap. We are concerned that the IA does not reflect true implementation costs. A lack of clarity and guidance from Ofgem is making it hard to determine the extent of operational changes needed to comply. As a result, we question if the approach will be aligned across all suppliers. We detail within Question 4 the risks of a lack of clarity from Ofgem.

Suppliers have endeavoured to work with DNOs on an industry solution which would have a customer dial a single number, regardless of what is causing their outage. This could provide a better consumer experience at a lower cost. DNOs have demonstrated they are able to provide a reassuring voice to customers in emergency situations and taking actions to address these issues. However, DNOs have not engaged with suppliers on this proposal. We still believe this is the better approach and ask Ofgem to engage with DNOs to encourage their co-operation.

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

Sufficient time will need to be provided in order to set up 24/7 phone lines, if that is what Ofgem requires. We cannot run a tender without laying out specific requirements and deliverables to potential vendors. In this respect, the guidance has not made clear that out of hours support relates to off supply incidents caused by meter faults. The indicated 2 months to implement such an operational change may not be enough time for suppliers.

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 IA determines the ongoing costs of suppliers who state they already meet the requirements of the licence condition to be between £6.70m – £8.76m per year (£0.21 to £0.27 per customer). However, as Ofgem's guidance is ambiguous regarding the need to maintain a phone line, we are concerned that these supplier have submitted costs on the basis that they *think* they comply without a phone line. Ofgem has stated that it cannot conceive of a way of meeting expected consumer outcomes without a phone line and would expect any supplier that is not planning to provide a phone line that it "should be able to demonstrate how its solution does so". If Ofgem rejects approaches that do not involve a phone line, this could increase ongoing costs for these suppliers substantially above what is set out in the IA. Whichever number is arrived at in the final IA, it needs to be reflected in the price cap.

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

Ofgem should be clear and unambiguous in their expectation that out of hours phone lines should not be expected to handle queries beyond those related to outages caused by metering faults. Suppliers cannot procure out of hours services, determine costs and impacts

with the current guidance Ofgem has provided, as the nature of the service we need to provide is not sufficiently clear. This lack of clarity also impacts the IA – see our response to Question 3 for more information.

Yours Sincerely,

Raquel Fernandes
Regulations Analyst

