

Supplier Guaranteed & Overall Standards of Performance reforms

Marcus Clements
Head of Consumer Protection & Redress

Background

- Commitment in Ofgem 2012/13 Simplification Plan to review supplier Guaranteed Standards (GS) and Overall Standards (OS) to ensure they:
 - remain fit for purpose
 - reflect consumer needs
 - do not create unnecessary burden

Supplier standards - background

- No review for 10 years+
- Different requirements for different fuels:
 - Hours of attendance
 - Coverage
 - Payment levels
- Duplication

Consultation Process

- January 2013 – Call for Evidence
 - widespread support for a review
- September 2013 – Consumer Panel research
 - important where potential for detriment
- June 2014 – Initial consultation
- December 2014 – Statutory consultation inc. draft Statutory Instrument
- July 2015 – Final decision

Revised Regulations

- 4 GS covering:
 - Making and keeping appointments (domestic and micro-business customers)
 - Fixing faulty PPMs (domestic customers)
 - Fixing credit meters operating outside the margins of error (domestic customers)
 - Reconnection after disconnection for debt (domestic customers)
- £30 payment to individual customers where GS is failed

Cutting regulatory burden, maximising flexibility

- OS mechanism removed entirely
- One GS removed
- Coverage for businesses above micro-business threshold removed entirely
- Requirement to send out annual notice of supplier obligations to individual customers removed

Cutting regulatory burden, maximising flexibility

- Gas and electricity requirements aligned
- Two SIs covering supplier standards replaced with one
- Flexibility maximised eg suppliers can make any additional appointment offering alongside a four hour window offering
- No new service areas covered

Revised regime

- Current
- Less burdensome
- Easier to understand
- Balanced – protection / burden

Timetabling Options

- December 2014 consultation – proposed 1 July 2015 go-live date
- Stakeholders requested go-live date of either:
 - 1 July 2015
 - 1 October 2015
 - 1 January 2016
- Final go-live date confirmed as **1 January 2016**

Next Steps & Additional Information

- Ofgem open letter published on 28 July at www.ofgem.gov.uk confirming final decision
- New statutory instrument now published on www.legislation.gov.uk
- Q3 - Ofgem to finalise details of performance reporting and publication arrangements with suppliers

Ofgem is the Office of Gas and Electricity Markets.

Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.

We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.