

Ofgem's Draft Consumer Vulnerability Strategy 2025

Ofgem Consultation

A Response by Utility Warehouse

This document sets out the views of Utility Warehouse regarding Ofgem's Consultation on its "Draft Consumer Vulnerability Strategy 2025" published by Ofgem on 13 June 2019.

Utility Warehouse is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets. Customers benefit from the convenience of a single monthly statement, consistently good value across all their utilities and exceptional levels of customer service. Utility Warehouse does not advertise, relying instead on 'word of mouth' recommendation by existing satisfied customers and distributors in order to grow its market share.

We take our responsibilities as an energy provider very seriously and make every effort to ensure we provide such essential services to all our customers with the utmost integrity; the customer is at the heart of our business model and the way in which we operate. Customer value is the cornerstone of the success we have had and continue to achieve.

Utility Warehouse recognises and has supported the significant work delivered under Ofgem's existing vulnerability strategy. Energy is an essential service and it is imperative suppliers provide the right support for all customers including those in vulnerable situations.

We support Ofgem calling out that customers might not wish to be labelled as vulnerable and that suppliers should remain mindful of insensitive labelling. This is something we have experienced first-hand given an all-encompassing term doesn't reflect the complex and varied circumstances we see during interactions with our customers. While Ofgem does not intend to change their definition of vulnerability, Ofgem should remain mindful of how the term can be interpreted now and in the future.

We have provided comments below to the specific questions raised by Ofgem in the consultation.

Question 1: Do you agree with the five priority themes and the outcomes we will aim for (as set out in chapter 3-7 and annex 2)?

We are largely supportive of the priority themes of the draft strategy and the outcomes which Ofgem are aiming to see.

As a supplier, we consider it would be beneficial for Ofgem to provide more detail on the self-disconnection workstream and welcome Ofgem publishing a separate consultation with specific self-disconnection policy proposals. Prepayment customer self-disconnection is a complex issue to resolve and supplier activity should not be focused upon in isolation. For example, the role of government and wider social reforms has brought additional challenges for customers in vulnerable situations and has exacerbated affordability pressures.

We are particularly supportive of Ofgem raising the entry level requirements to ensure suppliers can effectively service their customers, including those in vulnerable circumstances from the point of entry. It appeared some suppliers could offer cheap unsustainable prices to

fund their growth without having the supporting infrastructure in place to manage their customer base, including those in vulnerable situations. For example, all suppliers, including new entrants, should provide a range of communication channels so all customers can contact their supplier using a method which best meets their needs.

Question 2: Do you agree with our approach on affordability? While we recognise this is a concern for many consumers in vulnerable situations, we think addressing wider affordability pressures is mainly a matter for government to address.

As briefly mentioned in response to Question 1, we agree with Ofgem recognising the government is primarily responsible for setting out a remit to address affordability pressures, and feel this is particularly pertinent in supply market with the Default Tariff Cap and Prepayment Meter Price Cap currently in place.

Question 3: What more could be done through energy regulation to assist consumers in vulnerable situations in the longer term? How should any such further measures be funded?

We feel Ofgem should reflect on the impact of the Default Tariff Price Cap and Prepayment Meter Price Cap on the abilities and resources available which allow suppliers to innovate to support customers in vulnerable situations. Ofgem should consider how any future measures are likely to drive up operating costs for suppliers which at times may not be recoverable in a price capped market.

Question 4: Do you agree with our proposals for the first year of the strategy?

We are largely supportive of Ofgem's proposals for the first year of the strategy and welcome more detail being released in due course.