Fuel Bank Foundation Room 10,
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Dear Andrew,

Thank you for the opportunity to respond to your questions. At Fuel Bank Foundation, we are broadly supportive of your move to outcomes-based regulation, and we hope that it will deliver better results for the people we support. It is very clear from our insight and experience supporting over 2.5 million people that compliance with a set of rules does not always guarantee great consumer outcomes. The comprehensive work that you've done (in conjunction with stakeholders) does seem to have focussed on the things that really matter to consumers.

We have only responded to the questions where we believe that we have relevant insight.

Do you agree with our initial monitoring approaches for the other Consumer Outcomes outlined in Appendix 1, and the data and evidence we need for each of them? If not, please provide more detail on this, including alternative metrics.

We do agree with your decision to ask for monitoring that can be compared across suppliers. It is also sensible to take a risk-based approach, focussing on areas of potentially greatest harm, not least because of the potential impact on consumers' bills.

How can we best ensure that all stakeholders have a consistent understanding of the Consumer Outcomes we expect suppliers to deliver? Do you have any views on initial proposals to do this?

For some time now, Ofgem has worked hard to engage with us as a charity, and we appreciate this very much. It is great to be able to share our insights with you (at all levels of the organisation) and to feel that our clients' voices are being heard. As well as insights about our clients' lives and their needs, we also have insights about supplier performance through our research programme and anecdotal evidence. I'm sure that other charities and consumer groups will have the same evidence base. So, a formal channel through which we could report issues we are seeing around consumer outcomes would be beneficial for everyone.

How can we best manage dependencies between outcomes?

Your proposed approach sounds sensible to us. We particularly support your plan to explore whether impacts differ by customer characteristics, including meter type.

Do you agree with the range of rules we have identified relating to the billing outcome? Are there any other rules which you consider should be included?

It appears to be the correct list of rules to us.

Of the suite of options presented, do you have a preference? What is the rationale behind your preference?

It is difficult to choose between options 2 and 3 but, all things considered, we would support option 2 as it appears to be the strongest model for getting the balance right between allowing for supplier innovation, reducing regulatory oversight and driving a significantly improved customer experience around billing. It also ensures that there is a safety net in key areas, beneath which performance standards can't fall. However, before you make wholesale changes to the ways in which you regulate (which would be very difficult to roll back quickly) we wonder if it would be possible to carry out some kind of piloting with suppliers first, or at the very least, get indications from them as to how they would envisage delivering the outcomes. These changes absolutely need to deliver better outcomes for consumers, not worse, so you need to be confident that this will be the case, before implementation of the new regime.

Do you agree that the data and evidence we are asking for to monitor the Billing Outcome will give us the evidence we need to hold suppliers accountable for delivering the right outcomes for consumers? If not, please explain your reasoning, including any alternative sources of data and evidence you think appropriate. For suppliers specifically, could you tell us how you already monitor your customers' experience of receiving accurate, timely, accessible and understandable bills?

Enhanced monitoring around the delivery of the outcomes is going to be vital. We already regularly see examples of breaches of Licence obligations, so Ofgem will need to take a more proactive approach to monitoring supplier performance to identify and address persistent issues and ensure that outcomes are being consistently met. Research is great but it only tells you whether something has already gone wrong - it needs to be prevented from happening in the first place. As stated elsewhere, anecdotal evidence from consumer groups and charities may be a useful early warning sign for you of emerging consumer detriment.

How often should this data and/or evidence be collected?

Although reporting and monitoring is going to be key in Ofgem understanding whether this work has been successful in improving consumer outcomes, we are also mindful of the costs associated with it. As it is, our clients struggle to afford the gas and electricity they need, so we are always concerned about additional costs feeding through to consumers' bills. We would, therefore, urge that any monitoring and reporting is always proprtionate, necessary and not just "nice to have".

How can we improve engagement to ensure all stakeholders share a common understanding of our billing rules? Are you supportive of us developing a Billing Outcome guidance document? How can we improve informal engagement?

As stakeholders, we do need to have a clear understanding of the billing rules so that we can call out any breaches to you if we become aware of them. This should be done through the regular Charities & Consumer groups' meetings. There was some suggestion recently that the frequency of these meetings might reduce so it is even more important that they don't if this is to be the channel through which we report how the rules are working in practice.

How can we improve transparency of our billing activities and how stakeholders have shaped our work?

As a stakeholder, it would be really great to receive feedback as to where / when our insights have influenced your thinking in a range of areas and helped support delivery of better outcomes for the people we support, possibly in the quarterly bilaterals that are beginning soon.

Do you agree with our proposals to introduce an automatic inflation based uplift mechanism for supplier GSOP payments?

Yes, GSOP payments should be linked to inflation as, at £40 currently, the value has already slightly eroded since the introduction of GSOP payments at £30 in 2015. However, as in our answer to Q 10, we are always mindful of additional costs feeding through to bills, so we are supportive of your proposal to maintain the simplicity inherent in the GSOP framework that minimises its administrative burden for suppliers.

Do you agree with our proposal to repeat payments for the existing GSOPs related to consumers being off-supply?

Yes, we do. It is self-evident that being without energy is inappropriate, inconvenient and potentially harmful for any consumer (regardless of their individual circumstances) and, so, their reconnection should be prioritised by their supplier. Knowing that repeated payments will have to be made may help to ensure that the business focuses its resources so that the period of disconnection is as short as possible.

Do you agree with our suggested mitigations for the repeated payments, specifically the uniform time period for both GSOPs and capped payments?

We do agree with your proposals around having uniform time periods for both GSOPs as, as stated elsewhere, we wish the administrative burden on suppliers to be as low as possible so as to reduce costs. However, we don't agree with the proposal for payments to be capped at a maximum of 5. We note the comment from suppliers that this will reduce the possibility of "gaming" by consumers but fail to see evidence of this happening on a wide scale. Where consumers have been off supply for an extended period, there should be no limit as to the number of GSOP payments they receive. Ofgem states that the intention of the cap would be "to reduce the risk of disproportionate.....compensation" but we are not sure how receiving a payment (which doesn't even reflect the full inconvenience and disadvantage of being off supply for a very lengthy period of time) could be deemed to be disproportionate.