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Dear David

This document is in response to the formal consultation on the Restricted Meters Order issued on 18 October.

SSE previously noted that the proposed remedy will require disproportionate efforts from suppliers in making the necessary provisions for the relevant Restricted Meter Infrastructure (RMI) customer base. In addition, we argued that this remedy may not deliver the level of customer benefit that is expected.

In particular, our concerns are around the required system and IT changes. This is a complex task. Not only do these require the necessary time and resource for development but also demand time for the necessary testing to be conducted. The period allowed for implementation is inadequate. This will mean that suppliers are unlikely to be in a position to comply with the timescales envisaged by the CMA in the current draft.

The explanatory notes (paragraph 41) also refer to Ofgem informing the required messaging around tariff options. Even if this was solely in the control of individual suppliers, the 1 April deadline would be testing. With the expectation that the required wording will be specified from Ofgem, who will then consult and test as part of the Ofgem led programme, the suggested implementation date is unobtainable.



SSE would reiterate the call for implementation of the remedy to be required no earlier than the end of September 2017. As stated previously, this is the earliest date that SSE can meet the Order requirements. Since our previous response, we have had the opportunity to thoroughly review our capabilities and we can confirm that it is not possible to improve upon that timescale, which will still be extremely challenging to meet.

We have taken this opportunity to expand on our previous views on matters relating to the scope of the proposals and the timing allowed for implementation.

Sales Channels and required Lead Time

As before, given the complexity of the details needed to be considered by the relevant RMI customers, SSE believes this customer group would be best served with the provision of a dedicated sales channel.

The benefits of this would cover 2 relevant concerns.

1. This single channel would address potential uncertainty and confusion faced by customers by providing the opportunity to discuss their metering arrangements and receive sufficient advice from a specialist team which understands how their meter and heating arrangement operates.
2. It would also minimise the complexity of arranging the transfer of metering and usage details from and between any intermediaries such as price comparison websites.

SSE is also concerned that there may be a lack of expertise and systems capability across the wider industry to cope with this significant change. This may be a particular issue for smaller suppliers who have limited knowledge and experience with restricted meters and electric heating in practice. This would clearly compromise what is intended to be a remedy for enhancing consumer choice. Indeed, if (as seems likely) customers encounter a poor experience as a result of switching, then this is likely to deliver the opposite effect as is intended by the CMA: customers could become more disengaged and less trusting than they were previously. Therefore a later implementation date is necessary to enable all suppliers time to properly examine how they will deliver this remedy in the best interests of customers.

Other Requirements

The Order drafting has considered this remedy in isolation without acknowledging other programmes or messaging requirements.



Whereas suppliers are left to consider providing specified information as part of regular customer communications, the details being prescribed are not permitted by the supply licence to be included with some of these already established communications (e.g. the annual statement).

These arrangements may need to be clarified with guidance from Ofgem but there seems inadequate time allowed for this to be developed and then operationalised by suppliers. As of yet, there has been no indication of the messaging requirements as part of the new Restricted Hours licence condition would have primacy over pre-existing conditions, which are prescriptive in nature.

Customer Communication

There is also the related but separate concern on the particular format of the message to be provided which would be expected to be developed and consulted on in a short period before the proposed April implementation date.

The information provision requirements will require the following processes to be developed:

- **Customer requests** - the information to be provided to the customer at their request must inform them of their options while also considering how any decision to switch may be affected by behavioural changes in how they use their energy. Suppliers must be careful that any decision taken based on previous information and usage patterns does not then create further detriment as a result of the customer using their energy in a way that could not previously be accounted for.
- **The volume of information** - the customer being provided with an increased suite of notifications and summaries (including those pertaining to other remedies) is at risk of running counter to the intentions of the remedy. The details that must be communicated to, and considered by customers is potentially an added barrier to improved customer engagement as the information is complex and potentially confusing. To counter this, we must have processes in place to deal with customer requests for further advice and support. As noted above, SSE considers that such interactions would be best dealt with through the establishment of a specialist team.

All of this needs to be properly worked through and tested. This is necessary to protect customer interests. Rushing the delivery of this remedy is highly likely to lead to poor customer outcomes.



As noted above, with all these issues combined, as well as the numerous other system demands being placed on SSE, our proposal that the remedy is not enforced until at least the end of September 2017.

Kind regards

Josh Henderson
Regulation Analyst