

**29<sup>th</sup> July 2014**

Sinead Dynan  
The Utility Regulator  
Queen's House  
14 Queen Street  
Belfast  
BT1 6ED

Dear Sinead,

**CONSULTATION ON THE IMPLEMENTATION OF ENERGY SUPPLIER CODES OF PRACTICE**

Thank you for inviting firmus energy to respond to your consultation dated April 2014 seeking views and comments on the proposed minimum standards guidance for energy suppliers' Codes of Practice. (CoP)

Our responses to the specific issues brought to our attention are as follows:

**Q.1 Do respondents agree that customers and suppliers will benefit from a consistent approach to interpretation of the licence conditions?**

firmus energy agree that there are clear benefits – for both consumers and suppliers – associated with a consistent approach to the interpretation of the licence conditions.

**Q.2 Do respondents believe that the minimum standards guidance for Codes of Practice is the right approach? Please provide supporting information and evidence for your response.**

To ensure a consistency of service for all customers, regardless of chosen supplier, we agree the need for minimum standards that all suppliers must adhere to. The minimum standards must not digress from the specific licence conditions that they relate to. The standards should never go beyond what is required (at a minimum) by the licence condition. firmus energy believes that it should be a commercial decision for the supplier itself to go above and beyond any minimum standards required, in order to differentiate itself from the competition.

**Q.3 Do respondents agree that where this consultation has an impact on the groups listed above, those impacts are likely to be positive in relation to equality of opportunity for energy consumers?**

firmus energy are of the opinion that the anti-discriminatory aspects of the proposed CoP and indeed the general enhanced consumer protection measures, set out in the consultation, pay the correct regard to the need to promote equality of opportunity as set out in Section 75 of the Northern Ireland Act 1998.

**Q.4 Do respondents consider that the proposals need to be refined in any way to meet the equality provisions? If so, why and how? Please provide supporting information and evidence.**

firmus energy believes the detail and scope of the proposals are appropriate in relation to meeting the equality provisions as set out in Section 75 of the Northern Ireland Act 1998. In addition, firmus energy does not believe that any of our suggested changes to the minimum standards guidance would lessen the positive impact of equality of opportunity.

**Q.5 Do respondents agree that the effective monitoring of Codes of Practice is essential? Are there any additional areas that should be covered in relation to monitoring, reporting and compliance?**

firmus energy agree the need for suppliers to adhere to the CoP and there should be a system in place whereby the Utility Regulator can efficiently monitor and oversee the implementation of the CoP and react accordingly to any breaches of them.

firmus energy reiterates its request that any monitoring information requested is proportionate and takes into consideration the data that is already provided to the UR each year by suppliers.

It is our opinion that, as well as having minimum standards for the CoP, the UR should consider the **minimum** quantity of information required to ensure an appropriate level of CoP compliance observation.

firmus energy supports the notion of trigger mechanism monitoring as being an effective control and an efficient way to ensure supplier compliance.

In relation to Indicators 1, 2, 3, 4, we would request further clarification on the evidence that will be required by the UR.

**Q.6 Respondents are asked their opinion on the proposed banding for Indicators 11 and 12, Customer Debt. Some price controlled suppliers already collect and submit information at this level of detail. Respondents are asked if it is appropriate for non-price controlled suppliers to also provide information at this level of detail. We would ask respondents to provide supporting information and alternative suggestions.**

firmus energy currently collects the information described for Indicators 11 and 12 and we have no issues with adjusting the bands and parameters within this data. We would be of the opinion that all suppliers must be considered and treated in the same manner with regards to any CoP concerns. This should alleviate the possibility of equality or prejudicial issues arising.

**Q.7 Respondents are asked their opinion on what monitoring information should be published. We would ask respondents to provide supporting information on their proposal and be mindful of customer transparency as part of their response.**

firmus energy believe that the UR's main responsibility is to ensure consumers are aware of the various CoP that exist and highlight the suppliers' obligation to adhere to them. Further to this we believe it is in the public interest to report on a supplier or suppliers that have proven to be party to a sustained or systematic breaching of the Code(s).

**Q.8 Respondents are asked to provide information in relation to changes in practice which may be required. In particular we will take into consideration appropriate evidence in relation to costs and benefits. It will be most beneficial if responses regarding changes in practices and associated costs and benefits first state the individual Code and particular requirement in question, secondly set out why the change in practice is required, and thirdly set out any evidence regarding costs and benefits linked to the change in practice carried out.**

We have included any changes in current practice required throughout this document in the relevant question responses. We would be happy to go into further detail with the UR should they request any further information.

**Q.9 Do respondents think that the publishing requirements outlined cover all relevant areas? Are there any further comments that respondents have with relation to publishing Codes of Practice?**

firmus energy are content with making the CoP available on our website and sending a hard copy to any such person, customer, or organisation who requests one.

**Q.10 Do respondents think that the section of the Code in Annex 1 relating to identifying customers in difficulty covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?**

firmus energy supports and adheres to the requirement of working with customers in debt and finding satisfactory payment plans that consider their individual circumstances. Other than initial credit checks, we are currently unaware of methods that allow us identify customers that *may* get into financial difficulty, but would be happy to discuss this further with the UR & CCNI

The UR suggests that all suppliers must identify and contact customers who have previously experienced debt and offer "early intervention" to ensure debt does not build up. firmus energy is currently liaising with The Citizens Advice Bureau with a view to creating a working partnership that will aid both consumer and supplier in terms of affordable debt recovery. firmus energy is supportive of all working partnerships that will reduce the levels of debt incurred by our operations. We are of the opinion that any partnerships are based on an understanding that both the consumer and supplier objectives are accomplished.

firmus energy will always listen to any opinions given by a 3<sup>rd</sup> Party Debt Organisation in terms of setting debt recovery payback amounts as long as it is based on evidence of the

customer's actual ability to pay. As a business, we reserve the right to fairly set our own payback amounts based on the genuine capability to repay the sum owed.

The minimum standards guidance should make clear that any information given to a supplier from a 3<sup>rd</sup> Party organisation is simply for assisting the supplier. The 3<sup>rd</sup> Party holds no final legal or regulatory authority in terms of agreeing a suitable payment plan.

firmus energy acknowledges the suppliers' minimum responsibility to:

*"form relationships with advice giving organisations".*

In spite of this, the minimum standard opens up questions with regards to specifics of:

- Which 3<sup>rd</sup> Party organisations can provide this advice?
- What is classed as forming a relationship?

The suggestion that suppliers must form relationships with these organisations also seems to be a requirement beyond the scope of the current licence conditions.

**Q.11 Do respondents think that the section of the Code Annex 1 relating to payment arrangements and monitoring covers all relevant areas? Are there any further comments that respondents have with relation to payment arrangement and monitoring?**

firmus energy currently try to ensure that repayment plans for those customers in debt are in line with what the customer can afford. Every effort is made to ensure that disconnection does not occur, especially in relation to vulnerable customers. Disconnection is only used as a last resort after every avenue of repayment has been fully exhausted. With this in mind we are currently unsure of the proposed obligation to:

*"monitor all customers who have been disconnected and contact them to see if they wish to be reconnected."*

firmus energy would like further information from the UR in this regard.

**Q.12 Is there any further information you wish to provide in respect of Fuel Direct or Third Party Deductions?**

firmus energy currently do not have any customers that make use of Fuel Direct or other 3<sup>rd</sup> party deductions. Regardless of this we have no issues around working with these organisations as a means recouping monies owed.

**Q.13 Respondents are asked for their opinion on the proposals for disconnection and reconnection fees. We would ask for supporting information on any comments made.**

The disconnection and reconnection charges are set by the Distribution Network Operator (DNO) which are published in their connection policy and agreed by the UR.

**Q.14 Do respondents think that the section of the Code in Annex 1 relating to methods and procedures to avoid disconnection covers all relevant areas? Are there any further comments that respondents have with relation to identifying customers in difficulty?**

firmus energy will always use every available method to recover any debt owed to it. As part of this we will exchange credit meters for prepayment debt recovery meters if necessary.

**Q.15 Do respondents think that the section of the Code in Annex 1 relating to providing accurate and timely bills covers all relevant areas? Are there any further comments that respondents have with relation to providing accurate and timely bills?**

The section relating to the customer being under-billed as a result of a supplier error provides a list of possible situations where the supply company would be at fault. There is no mention of whether this list is exhaustive, and we would request further information from the UR with regards to this.

**Q.16 Are there any other areas which the Code on Payment of Bills should cover?**

We believe the proposed Code on Payment of Bills fully covers the necessary issues.

**Q.17 Do respondents agree that a consistent definition of debt across suppliers, for the purpose of the Code of Practice on the Payment of Bills, should be established?**

For the purposes of clarity and equality amongst customers and suppliers, we support a consistent definition of debt across suppliers.

**Q.18 Respondents are asked their opinion on the proposed definition of debt with regards to the Code of Practice on Payment of Bills or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be appropriate and be mindful of monitoring procedures as part of their response.**

firmus energy is happy with the UR's proposed definition of debt.

**Q.19 Respondents are asked to provide any additional comments on the attached draft Code minimum content, which they feel will help to improve the Code.**

As detailed in previous questions, we believe there are certain minimum requirements for the supplier that go beyond the scope of the actual licence requirements and these should be considered for removal.

**Q.20 How could suppliers monitor self-disconnection and self-rationing in prepayment customers?**

firmus energy suggests that the UR considers commissioning a survey, or research into the prevalence of self-disconnection within Northern Ireland, so there is full clarity around the

issue. (The research document used in the consultation is specific to Scotland, Wales and England)

firmus energy uses its Geographical Information System (GIS) overlaid with income data to highlight customers who are potentially at risk. In addition we provide energy efficiency audits to customers on our firmuscare scheme.

**Q.21 Do respondents think that the section of the Code in Annex 2 relating to the services provided covers all relevant areas?**

firmus energy currently provide the services proposed in the Code and believe this section covers all relevant areas.

**Q.22 Do respondents think that the section of the Code in Annex 2 relating to disconnection of customers who are of pensionable age, disabled or chronically sick covers all relevant areas? Are there any further comments that respondents have with relation to disconnection?**

firmus energy is fully aware and compliant with its responsibility to ensure vulnerable customers remain connected unless disconnection is absolutely necessary. We believe this section of the code covers all relevant areas.

**Q.23 Do respondents think that the section of the Code in Annex 2 relating to raising awareness of service provision covers all relevant areas? Are there any further comments that respondents have with relation to awareness raising?**

firmus energy believe this section generally covers all relevant areas.

All customers are made aware of the firmuscare register upon signing up with, or switching to, firmus energy. We would suggest that a paragraph be included on the back of our annual statements that references the firmuscare scheme. This would fulfil the minimum standard requirement that a supplier must:

*“inform domestic customers at least annually of the existence of the register...”*

**Q.24 Are there any other areas which the Code of Practice on provision of services for persons who are of pensionable age or disabled or chronically sick should cover?**

firmus energy feel all areas relating to vulnerable customers have been covered with the proposed CoP.

**Q.25 Do respondents agree that a consistent definition of a complaint for all suppliers, for the purpose of the Code of Practice on Complaints Handling Procedure, should be established?**

firmus energy believes that a consistent definition of a complaint is essential to the overall success of the CoP.

**Q.26 Respondents are asked their opinion on the proposed definition of a complaint with regards to the Code of Practice on the Complaints Handling Procedure or suggest an alternative definition which may be used across all suppliers. We would ask respondents to provide supporting information as to why a specific definition would be the most appropriate and be mindful of monitoring procedures as part of their response.**

At present we think there could be confusion with the consultation definition:

Definition of complaint:

*“Any expression (through various possible channels: letter, email, phone, physical claim or other method) of dissatisfaction for any person.”*

This definition could suggest that a complaint is “an expression of dissatisfaction for a person.” A complaint does not necessarily have to relate to any person.

We assume the UR feels the meaning should be “an expression of dissatisfaction made by any person.”

We would suggest the current definition could be rewritten as:

*“Any expression (through various possible channels: letter, email, phone, physical claim or other method) of dissatisfaction **from** any person.”*

**Q.27 Do respondents think that the section of the Code in Annex 3 relating to the accessibility of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to accessibility?**

firmus energy believe that this section of the Code covers all relevant aspects relating to the accessibility of complaints handling procedures, and it is in line with our current complaints handling processes.

**Q.28 Do respondents think that the section of the Code in Annex 3 relating to the transparency of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to transparency?**

firmus energy believe that this section of the Code covers all relevant aspects relating to the transparency of complaints handling procedures, and it is in line with our current complaints handling processes.

**Q.29 Do respondents think that the section of the Code in Annex 3 relating to the promptness of complaints handling procedures covers all relevant areas? Are there any further comments that respondents have with relation to effectiveness?**

firmus energy believe that this section of the Code covers all relevant aspects relating to the promptness of complaints handling procedures, and it is in line with our current complaints handling processes.

**Q.30 Do respondents think that the section of the Code Annex 3 relating to alternative dispute resolution covers all relevant areas? Are there any further comments that respondents have with relation to alternative dispute resolution?**

firmus energy believe that this section of the Code covers all relevant aspects relating to the alternative dispute resolution and it is in line with our current complaints handling processes.

**Q.31 Are there any other areas which the Code of Practice on Complaints Handling Procedure should cover?**

We believe that the minimum requirements set out by the UR in relation to the complaints handling procedure, are currently adhered to by firmus energy and are reflective of our actual complaints handling processes.

**Q.32 Do respondents have any comments to make on the proposed industry standard to update prepayment meters for a change in tariff? Do respondents have any comments to make on how customers can be informed to ensure they understand this process?**

firmus energy are currently not in the domestic electricity market. We have no opposition to the proposed industry standard to update prepayment meters for a change in tariff.

**Q.33 Do respondents think that the section of the Code in Annex 4 relating to the information provision covers all relevant areas? Are there any further comments that respondents have with relation to information provision?**

firmus energy are, on the whole, happy that the section in relation to the information provision covers all relevant areas. We are mindful however of the following minimum standard:

*“ensure that the customer can reasonably access facilities to top up the prepayment meter. (Suppliers will consider issues such as internet access, mobility issues and the geographical coverage and location of nearest outlets where prepayment meter top ups are available).”*

firmus energy can, and do, inform customers of the location of the closest vending outlets. We cannot dictate where the vending outlets should be, as this is a commercial decision for PayPoint and Siemens.

**Q.34 Do respondents think that the section of the Code in Annex 4 relating to the suitability of a prepayment meter covers all relevant areas?**

firmus energy will proactively ensure that the meter type at a specific property is line with the needs and requirements of that particular individual at the time of sign up.

**Q.35 Do respondents think that the section of the Code in Annex 4 relating to payments for prepayment customers covers all relevant areas? Are there any further comments that respondents have with relation to payments?**



Unfortunately with prepayment gas meters the emergency credit level is set at the point of manufacture. Changing this on existing meters, to realise this minimum standard, will incur significant costs.

We are of the opinion that the vulnerable customers on our register, that this standard relates to, have already been assessed and will be on a credit meter or 'Easypay' plan at present. This ensures they have a continuous gas supply and don't run out during any period of incapacitating illness.

We have worked hard to ensure that vulnerable customers are not deprived of gas, and believe this can be achieved without changing emergency credit levels.

**Q.36 Are there any other areas which the Code of Practice on Services for Prepayment Meter Customers should cover?**

firmus energy feel all areas in relation to the CoP on Services for Prepayment Meter Customers are covered.

If you have any other questions relating to the information provided, please do not hesitate to contact me.

Yours Sincerely,

Stephen.

**Stephen Miller**

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