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Dear Philippa,

Response to Last Resort Supplier Payment (LRSP) claim from SSE Energy Limited

Thank you for the opportunity to respond to your consultation on the supplier of last resort (SoLR) payment claim from SSE, in respect of taking on Brilliant Energy customers when this supplier failed. We broadly support Ofgem's minded-to decision to allow SSE to claim the last resort supplier payment for the credit balances of £756,000, with the caveat that there is future adjustment to the claim once the estimated bills are finalised, and that any amounts claimed by SSE from the administrator are taken into account.

With regards to the other costs claimed, it is not possible to impartially judge the claims without understanding what information and guidance is provided to a supplier before bidding for a SoLR to enable them to anticipate these costs. The consultation states 2,800 customers had already chosen an alternative supplier before SSE could set them up on their system. It's unclear to what extent this varies as a proportion of the customer base to other suppliers failures, or whether SSE was - or could reasonably have been expected to be - aware of this when bidding.

With regards to the administrator costs, although our preference is for the supplier to purchase the debt, we believe that additional support with the billing by the new supplier is important for customers if the debt remains with the administrator. This can help ensure consumers have accurate bills and provide a process to query the balance if needed. Therefore in principle we support this amount being claimed through the LRSP, subject evidence the costs are proportionate and value for money.



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To be able to reasonably assess SoLR claims we think there should be more transparency in the SoLR process. We fully appreciate the need for commercial confidentiality, however without a greater understanding of the nature of the rival bids it is difficult to objectively assess the overall value for money of the claim.

Yours sincerely

Alice Brett

Senior Policy Researcher