

DCP 349 'Effectiveness of the current provision of unsecured cover under Schedule 1'

COLLATED RFI RESPONSES

Company	Confidential/ Anonymous	Q1. Do you agree with the conclusion that utilising an Independent Credit Assessment by a Recognised Credit Assessment Agency to determine the Credit Allowance Factor does not put any material additional costs on to Suppliers? If not, please provide your reasons.	Working Group Comments
EDF Energy Customers Ltd	Non-confidential	Yes – in light of the cost levels confirmed for Experian and Dun & Bradstreet, we agree that these are not material additional costs.	Noted
Drax Energy Solutions Ltd	Non-confidential	Yes. We agree with the Work Group conclusion that utilising an Independent Credit Assessment by a Recognised Credit Assessment Agency to determine the Credit Allowance Factor does not put any material additional costs on to Suppliers.	Noted
	Anonymous	<p>We are an industrial and commercial energy supplier that formed in 2016. We have worked hard to ensure good payment history and a change to using an Independent Credit Assessment to determine Credit Allowance will put an unfair material cost to both our business and other smaller suppliers in the market. The change would be a backwards step for competition and solely benefit the large energy suppliers.</p> <p>Competition is essential for the industry and this change could prove very difficult for new entrants into the market. Although the proposal allows for the change to be eased in over 5 years, after full completion it will be difficult for new suppliers to enter the market.</p>	<p>The cost of an Independent Credit Assessment is circa £200 which wouldn't be seen as material.</p> <p>This change proposal does not remove Good Payment History as a form of Cover, so there isn't an impact on new entrants.</p> <p>This change proposal will have no impact at the new entrant stage.</p>

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ScottishPower Energy Retail Ltd	Non- confidential	<p>The information published with this RFI makes it very difficult to understand why there is a need to use an Independent Credit Assessment to determine the Credit Allowance Factor.</p> <p>We understand and welcome the % decreases but cannot comment on the other aspects due to the limited information provided.</p>	<p>Noted</p> <p>An Independent Credit Assessment to determine the Credit Allowance Factor is an alternative to an Approved Credit Rating.</p>
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