

Neil Barnes
Ofgem
9 Millbank
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Ref: 2809

Dear Neil

Energy Supply Probe – proposed retail market remedies

Thank you for consulting Age Concern and Help the Aged on some of the proposed remedies you are proposing as a result of Ofgem's probe into the workings of the energy market. This response needs to also take account of the points made in Age Concern's response to the Ofgem's Energy Supply Probe – Initial findings in November 2008. Age Concern was also pleased to participate in the round table discussions on information and marketing hosted by Ofgem in January 2009.

Standards of conduct

We welcome the proposals to introduce a common set of overarching standards of conduct although it seems regrettable that suppliers need to be encouraged to make it easy for customers to contact them and to act promptly and courteously to put things right when the company has made a mistake. As we said in our response to Ofgem's proposals on direct debit arrangements it is regrettable given the extensive work that went into the review of supplier complaints services last year that key problems remain in the transparency and communications of suppliers. Despite having the new complaints arrangements put into operation in October 2008, it is disappointing that we continue to get complaints about the way energy suppliers treat their customers. A recent report compiled by Age Concern South Lakeland has concluded:-

'A major problem highlighted is the difficulty older people are now facing in dealing with the centralised call centre model of delivery used by all the utility suppliers. We hear time and again that clients have literally given up trying to sort out an administrative mess, caused in the main by poor process by the suppliers, inflexible systems and poorly trained staff. The staff in the main can be described as, not sensitive to the needs of older people. It was also

apparent that many suppliers were acting in a very high handed way and putting up monthly budget account payments significantly even though the clients were in credit.'

We support Option 1, that these standards should be inserted as a preamble to relevant licence conditions. We agree that this would give them a better status, particularly given Ofgem advises they would influence their decision on whether to take action when investigating a possible breach of licence conditions.

Promoting more effective consumer engagement

We strongly support the proposals to improve the information customers are given on their bills. The findings from this issue being discussed by the Ofgem Consumer Panel came as no surprise to us. We agree that the name of the customer's tariff should appear on the bill and that it should also include the customer's consumption for the year in pounds sterling. We also agree there should be an annual statement and this should include a reminder that customers can switch supplier. However we think it would also be useful if the annual statement gave information on the number of estimated bills made in the year and include a reminder of the importance of having actual meter readings.

We agree with the proposal to have £ per year as the basic metric which we think will give the clearest information to consumers to be able to make comparisons and know whether they are a high, medium or low user. Of the two examples given in the document our preference is for example 1.

We are sympathetic to an attempt to assure the 58% of non switchers who are worried that things will go wrong if they switch suppliers. We support the proposal to introduce a customer switching guarantee that the ERA has agreed to draw up but are not convinced this will assuage the doubts of those that worry. We think word of mouth from friends and neighbours who have successfully switched will be more effective.

We welcome Consumer Focus taking the lead in trying to get improvements in price comparison and switching sites. We particularly welcome the steps that have already been taken to promote telephone switching sites since the majority of older people do not have access to the internet.

Helping consumer make well informed choices

It is our policy that there should be no cold calling and we would prefer all doorstep selling by energy companies to be banned. However we are aware that Ofgem think it is an important source of engagement to promote competition, even though their probe found that 52% of those switching as a result of a doorstep sale switched to a more expensive tariff. It is disappointing that, despite the existence of the Code of Practice that we continue to get complaints about high pressure doorstep selling by energy companies. Older people are particularly subject to bullying in home sales and we continue to receive complaints about high pressure selling on the doorstep by energy companies.

We agree with the proposals to try to ensure that customers approached by doorstep selling get more precise and clearer documentation of the offer. We agree that a written quote should be provided and that this should also be expressed in terms of £ per year. Once this information appears on bills it should make it easier for customers to make sure they are not switching to a more expensive supplier. Whilst it would be good if they could also provide a comparison with the consumer's current deal we are not convinced this will be possible until the new billing requirements have been in place for at least a year. We also agree with the additional information that should be given as proposed in paragraph 4.23 of the document.

Yours sincerely

A handwritten signature in black ink that reads "Gretel Jones". The signature is written in a cursive, flowing style.

Gretel Jones
Consumer Policy Adviser