

Nigel Nash
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Ofgem
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28 April 2003.

Dear Nigel,

Objecting in the domestic market.

Thank you for the opportunity to comment on Ofgem's proposals to amend the rules that permit suppliers to object to domestic transfers.

Atlantic would like to reiterate comments made in previous responses to consultations on this subject. That is, that it supports Ofgem's intention to remove suppliers' ability to object on the grounds of insufficient termination notice. Atlantic hopes that such action will allow consumers to move more freely from supplier to supplier, thus improving their experience of the transfer process and proving to them that switching can be easy.

Atlantic does still have very real concerns, however, about the proposal relating to the introduction of Customer Requested Objections (CROs). The CRO may prove to be a very effective tool in reducing the number of ETs which, if it happens, is something we would all applaud. However, as Ofgem recognises in its consultation document, it is essential to the continued success of the competitive market that the objection process is not abused. Whilst Atlantic welcomes Ofgem's commitment to ensuring that the objection process is used correctly, it should not be under-estimated just how vast the compliance and audit task will be. Taped telephone calls or written correspondence from customers, as a minimum, must be kept in order to make this task easier.

We also urge Ofgem to restrict the grounds on which suppliers can initiate a CRO to those where a customer states that they have not entered into a contract with a supplier that is attempting to transfer them. There is very great potential that, if the CRO was to be used for a wider variety of reasons, the opportunity for misuse would significantly increase. In short, Ofgem must not allow the CRO to become used by a supplier as part of its retention strategy.

I trust that you will find these comments useful. If you would like to discuss any aspect of this response further, please call me.

Yours sincerely,

Siobhan O'Loughlin
Regulation Officer.