

Nigel Nash
Head of Market Infrastructure
Ofgem
9 Millbank
London
SW1P 3GE

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Dear Nigel

Re: Objecting in the Domestic Market

We thank you for the opportunity to respond to your Consultation on the proposed changes to objections in the Domestic Market. We agree with Ofgem on the need for changes to be made to the domestic objections regime and support any logical move to harmonise gas and electricity processes. We therefore welcome the removal of the ability to object on the grounds of lack of termination notice.

It is the **energywatch** experience that some supplier practices on objecting are currently inconsistent, unfair and act as a deterrent to consumers switching. There has been consumer confusion over co-operative objections and many tit-for-tat retaliatory objections raised by suppliers who were or were not part of the original termination notice trial scheme. We believe that this must be stopped.

We see much potential in an orderly, well-monitored co-operative objections procedure leading to the prevention of many forms of erroneous transfer. **energywatch** considers that transparency of process is essential so that consumers know where they stand on issues surrounding the transfer process. Equally, we are of the opinion that suppliers should be held accountable not only to consumers, but also to Ofgem as the regulator. We therefore believe that the record keeping proposals and the provisions for inter-supplier and supplier-consumer communication are essential if the scheme proposed is to work.

We remain concerned that suppliers may use the customer requested objection as a vehicle to retain existing customers and undermine their right to switch. We believe that the proposal is still not watertight and open to abuse. For example, if a customer alleges that they merely signed for more information and did not believe or understand that they were signing a contract, then the matter could be considered an

erroneous transfer. It could therefore be interpreted as the customer stating that they had not entered into a valid contract. Such an explanation could be given as a customer requested objection, whereas in reality it is an excuse prompted by the retention tactics of an existing supplier.

We consider it essential that robust monitoring is undertaken to ensure that abuses are not perpetrated. **energywatch** would want suppliers to have to report to Ofgem not just transfer numbers of leaving customers, but the number of customers they contacted to remain with them and the number that actually did so. We would not want suppliers to regard it as a legitimate tactic to call all customers trying to leave them to persuade them to stay. If abused, the customer requested objection could have the effect of acting as a deterrent on the right to switch.

We further believe that Ofgem should rely on other non-statistical methods to audit the behaviour of companies from the outset. We also believe that the results of any monitoring should be publicised to expose any guilty parties.

We trust that our comments are helpful and as always we are happy to expand upon them further should you so wish.

Yours sincerely

Robert Hammond
Policy & Research Analyst