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Dear Annette

AMT-SYBEX Ltd Response to Ofgem Consultation Document: *Making markets work for consumers. The regulation of gas and electricity sales and marketing: a review of standard licence condition 48*

As you know, AMT-SYBEX Ltd is an independent supplier to the UK Energy & Utility marketplace and is actively involved in making technology work for the benefit of both suppliers and customers alike. Over the past 6 years our work has included the implementation of Mobile Field Working solutions to support utility asset management, and more recently we have investigated its usage in Energy Supply.

The use of Mobile Field Working technology is now widespread, for example: the capture of gas and electricity domestic meter readings; the electronic signing for receipt of goods delivered to our doorstep; the selling of financial products in the home; plus many more. It is a technology that has come of age with recent advances in secure and cost effective telecommunications and hand held computer devices.

Our investigations have shown that applying Mobile Field Working technology to energy field sales has the potential to improve and enhance the customer's experience of switching energy supplier. We believe that any changes to the standard licence condition 48 should recognise this, and ensure that the licence condition does not unduly constrain the use and limit the benefits that may be gained from the introduction of this technology for energy field sales.

The potential benefits to the customer from the use of this technology for energy field sales are many and, for example, include:

- reduce the incidence of misselling by providing Suppliers with a means to more closely monitor the conduct of field sales agents and assist with the identification and adoption of best practice for use by sales agents;
- help reduce customer transfer timescales, errors and cost by validation of customer transfer data at source and rapidly communicate this data electronically to Suppliers' registration systems;
- reduce the level of customer transfer and customer billing issues and complaints through improving the quality of data entering the industry processes.



In addition, a Mobile Field Working approach, where the sales agent is directed to visit pre-identified customers and is provided with information related to these customers, facilitates a more professional and controlled sales experience. With this and the immediate validation of captured contract information whilst the agent is still with the customer, the process becomes more akin to a telesales sale, and generally less prone to problems and failure.

From the Suppliers viewpoint, at almost all levels the use of electronic data capture and distribution can be seen to be more effective than paper. It also provides more flexibility for the introduction of innovation in a competitive market moving to a position where Suppliers may be targeted by 'desired outcomes'.

Some tension currently exists between the appropriate use of Mobile Field Working technology to deliver these benefits and the licence condition and changes suggested in your consultation document. We cover some of these in our responses below, relating to your paragraphs 7.8, 7.12, and 7.23, plus an additional comment relating to protection of customer data.

7.8 Use of Mobile Field Working technology may be considered as an extension to the normal face-to-face activity of field sales, and as the technology is becoming an accepted tool for this type of field activity, we believe that aspects of its usage should be recognised within the licence condition. Some specific issues are highlighted below.

7.12 Ofgem suggest that the licence condition should specify minimum requirements for information relating to a contact with the customer. Your view in 7.11 is that some of this information needs to be made available to consumers '*immediately for face-to-face contact and as soon as possible by post in case of non face-to-face contact*'.

Consideration needs to be given to how this would apply using Mobile Field Working technology. In particular:

- The electronic capture of customer contract details including the use of signatures that have been captured electronically.
- The necessity to leave a signed contract with the customer and the form of this contract, plus consideration of an option for the contract (containing the electronically captured signature) to be mailed to the customer in next day's post, in a process similar to that used in energy telesales.
- Ofgem's suggestion that '*written copies of any other information relied upon during the sale*' and in particular '*data used in calculating any quoted saving*' become part of the minimum requirements for information. One of the benefits of Mobile Field Working technology is that fully up-to-date price comparators can be electronically passed to the sales agent in the field. Agents can be alerted to whether a financial benefit is available or not to the customer at the time of the sale. (Note this is similar to what currently happens on many Internet sales channels where the customer may be advised that 'a competitive price is not available in this instance'). With Mobile Field Working technology, details of the quote may be captured electronically and transmitted along with the rest of the contract details to the Supplier. It would be more effective for the Supplier to forward this information along with the contract details in the following day's post, rather than produce the information at the doorstep. It would



also ensure that the Supplier has visibility of the basis of the sale made by the agent and have the ability to withdraw from the sale at the earliest possible opportunity if it was felt that misselling had taken place.

- The alternative to the above approach would require the sales agents to produce a hard copy print of the contract details for signature and a printed quote for the savings etc. at the doorstep. This would considerably increase the cost and complexity of the technology and make it less likely to be deployed.
- Consideration should also be given for Suppliers to be able to send contract confirmation and associated information directly to a customer's Internet address in lieu of post where the customer has agreed to this.

7.23 The use of Mobile Field Working technology can support the Suppliers' ability to more readily monitor the actions of the sales agents undertaking activity on their behalf, and help ensure that various codes of practice and obligations are being adhered to. Improved clarity around 'reasonable steps' would make it easier for Suppliers to identify what they need to do to demonstrate they are meeting their obligations, and how the technology may assist in this.

Misc Other issues relating to the protection of customer data, including data security, confidentiality and data protection, do not specifically appear to be covered by the standard licence condition 48 or the consultation document. These need to be clarified if electronic capture and distribution of customer data over external telecommunications networks is to become widespread. Consideration needs to be given to data encryption of sensitive data, protection against software viruses and un-authorized access to mobile devices.

However, we would caution that any new requirements placed on electronic data should be considered within the context of current paper based practices, and should not impose any undue constraints just because the data is held in electronic form.

We believe that Mobile Field Working technology can be a highly effective means of improving the customer experience and will enhance the professionalism of the Suppliers in the market and help meet Ofgem's stated aim of enhancing customer confidence in the transfer process. We believe it is important that the standard licence condition 48 should not discourage this.

Should you have any queries regarding our comments, or would wish to discuss aspects in greater detail with us, please do not hesitate to contact me on 07966 015667 or e-mail ges.jones@amt-sysbex.com.

Yours sincerely

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