

## Consumer Bills and Communications Roundtable

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Second meeting of the Consumer Bills and Communications Roundtable Group	Date and time of Meeting Location	18 <sup>th</sup> July 2012 11:00 – 14:00 Ofgem, 9 Millbank
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The meeting note below lays out the main discussion points, agreements and action points for the second meeting of the Consumer Bills and Communications Roundtable Group (CBCRG).

### Attendees

Anne Pardoe	- Citizens Advice
Gillian Cooper	- Consumer Focus
Hannah Mummery	- Consumer Focus
Tanya Sheridan	- DECC
Jeanie Cruickshank	- DECC
Elizabeth Garber	- EDF
Alun Rees	- Energy UK
Jamie Linton	- First Utility
Mark Sommerfeld	- LoCO2
David Mitchem	- SSE
Pete Moorey	- Which?
Rachel Fletcher	- Ofgem (Chair)
Stew Horne	- Ofgem
Barry Coughlan	- Ofgem
Ljuban Milicevic	- Ofgem
Stephanie Tobyn	- Ofgem

## Key discussion and action points

### **Terms of Reference**

- There was a discussion about the draft TOR and the need for the group to look beyond the current problems with communications. In order for any remedies to be future-proofed the group needs to be conscious of the changes that are in the pipeline. It was felt that the group should adopt a principles-based approach as a result.
- It was agreed that the recommendations developed by the group should be to government, and to the wider industry, noting that Ofgem also has a role through stipulations in SLCs.
- It was agreed that all papers relating to the group are potentially to be published on Ofgem's website, once all confidentiality or other considerations have been taken into account.

**ACTION** – OFGEM to reflect this in updated terms of reference and circulate.

- Following some discussion of the aims of the group, it was clarified that, where possible, Ofgem's RMR work and that of the CBCRG will be twin-tracked.

### **Next steps for the work from the first meeting**

- Energy UK volunteered to take forward the next iteration of the working paper, They will look at the purpose of consumer communications and review the information withing these, and bring this back to the September meeting for development and comment.

**ACTION** – Energy UK to take forward the working paper.

### **Timetable**

- The next steps for the group will be to discuss the RMR proposals with regard to the tariff information label and the price change notifications.
- A suggested future agenda item was the draft licence conditions of the RMR, in order to discuss the implications for suppliers and wider effects.
- Furthermore, at the September meeting it was decided that the group will discuss the progress of the draft working paper and the next steps in taking this forward.

### **RMR proposals for consumer bills and communications**

- Ofgem presented an overview of its RMR proposals for Consolidated Tariff Summary on bills and for Annual statements, including the findings of recent research. A summary of the points raised is attached at Annex A.

## **Group planning**

- It was agreed that the next meeting will look at the Tariff Information Label and Price Increase Notifications.

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### **Annex A – Discussion of RMR information remedies**

#### **Consolidated Tariff Summary**

- Research revealed a tension between what consumers like and what may be irksome, but effective.
- It was recognised that there is no single type of consumer.
- Need to be conscious of the difference between energy bills and other important documents for retention, for example bills will often be used as proof of identity and address when setting up a new bank account.
- Projected usage may be confused with direct debit payment levels, these may often be different.
- What would the summary look like with multiple MPRNs/MPANs?
- The cheapest tariff may not be the best – best is a more complex subjective statement.
- System changes required to calculate a best deal figure for each consumer will be costly for suppliers depending on the level of personalisation.
- Layout may be complicated when different meter types are introduced into the equation.
- Concerns that for usage to be classified as “actual”, they would have to submit reads for 365 days a year.
- Wording saying that suppliers are required to provide summary information may not help suppliers to build trust with customers.
- Further testing of more complete templates was recommended, to include legal clauses, terms and conditions where appropriate – although placeholders were included for these in Ofgem’s recent work.

#### **Annual statements**

- Whether the level of prescriptiveness on its content would impact on the likelihood of consumers engaging or not engaging.
- Concern that number of references to switching on the template annual statement might be excessive,
- Suggested that suppliers could mention that they want to keep recipients as customers, but that if they want to switch they can do so.
- Discussion around when an annual statement is to be sent out, whether that be towards the end of a fixed term deal, at a fixed point during the year or at another time.
- Whether energy efficiency messaging should be included on the annual statement.
- Additional pieces of information that could be included on the annual statement, included the Green Deal information , and smart metering requirements.
- There is no actual statement of account on this piece of communication, so customers will not be informed whether they are in debit or credit.

- Under the current RMR proposals we would envision a separate annual statement for each fuel, even if a customer was on a dual fuel deal. This may add complexity for consumers, but consumers may be informed of savings they could make were they to take their two fuels separately.
- Providing the two annual statements in one envelope could reduce confusion while maintaining the positives associated with the separation.