



Meeting Notes

Consumer Bills and Communications Roundtable

Third meeting of the Consumer Bills and Communications Roundtable Group	Date and time of Meeting Location	22 nd August 2012 14:00 – 17:00 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
Hannah Mummery	- Consumer Focus
Patrick Whitehead	- DECC
Alun Rees	- Energy UK
Louise Pearson	- EON
Mark Sommerfeld	- LoCO2
Pamela Kelly	- Scottish Power
Louise van Rensburg	- Ofgem (Chair)
Rachel Fletcher	- Ofgem
Stew Horne	- Ofgem
Paul Huffer	- Ofgem
Jemma Baker	- Ofgem
Chris Smith	- Ofgem
Barry Coughlan	- Ofgem
Sarah Bradbury	- Ofgem
Oliver Provan	- Ofgem

Key discussion and action points

Terms of Reference (ToR)

- There was a discussion about some additional amendments to be made, which were not included in the most recent version of the ToR, on which the group were in agreement:
 - That the group should have as an objective not just to offer recommendations to government, but also to Ofgem, suppliers and other relevant parties.
 - Given, at present, the lifespan of the CBCRG goes no further than the beginning of 2013, the group may not be best placed to fulfil the role of monitoring developments in communications. It was agreed, however, that an additional objective of the group is to consider how a process may be established to monitor proposed regulatory change and wider developments with regard to consumer bills and communications.

ACTION – Ofgem to reflect these points in the updated terms of reference and circulate.

- It was agreed that Ofgem would begin to post materials from the group on the website space that has been set up for this purpose. Initially these materials will include agendas, meeting notes and the terms of reference for the group, along with the templates that have been presented to the group.

ACTION – Ofgem to begin posting materials to the website space.

- The separate working group looking at the purpose of communications (to include those not covered within RMR information remedies) is to meet on Thursday 30th August, where it is hoped that a straw man document for deciding the purpose of communications can be signed off. It was agreed that the progress of this group's work will be discussed at the next meeting of the CBCRG.

ACTION – Energy UK to produce a working paper and presentation on the "purpose" working group's progress for the next meeting of the CBCRG.

- It was agreed that as the format of the CBCRG does not allow for discussion around the costs of proposals to individual suppliers, Energy UK and suppliers would work to provide granular data to Ofgem on the likely costs to implement the remedies proposed for price increase notifications and the tariff information label, and details of the billing processes followed by suppliers following a price increase notification.

ACTION – Suppliers and Energy UK to liaise to provide implementation cost figures to Ofgem, and details of the switching process and how consumers are billed after receiving a price increase notification, depending on whether they switch to a different tariff or supplier by the relevant date.

There were discussions of OFGEM's RMR proposals for Price Increase Notifications and the Tariff Information Label. The notes from these discussions are attached at Annex A.



Meeting Notes

- It was provisionally agreed that the 12th of September be the date for the next meeting. Ofgem agreed to host the meeting at 9 Millbank.

Consumer Bills and Communications Roundtable Group (CBCRG) 22 August 2012

Annex A – Discussion of RMR information remedies

Price Increase Notification (PIN)

Cheapest Tariff Information

- Some debate around whether the PIN is an appropriate place for cheapest tariff information. It was acknowledged that the more personalisation and projection that needs to go into this calculation, the more difficult this becomes.
- Broad agreement that explaining to a consumer why one tariff is cheaper than another is quite difficult and space-consuming if it was to be done on the PIN.
 - Furthermore, it was felt that pointing consumers to a cheaper tariff when they receive notice of increased prices may cause confusion as to why they were not on this tariff to begin with.
- Number of cheaper tariffs likely to vary by supplier, while smaller suppliers may not have a cheaper tariff available, unless a consumer was to switch payment methods.
- No clear agreement on what cheapest tariff information should be carried on the PIN, though it was felt by some that a general prompt to consumers may be an acceptable compromise.

Proposed Template

- Broad support for Ofgem's proposal for the PIN to be personalised to consumers.
- However, the degree of personalisation needed may mean that for those suppliers that currently distribute their PINs through mailing houses, this process may need to be brought in-house.
- Some concerns raised about the format of the monthly cost and VAT figures, which may confuse consumers were they to attempt to back-engineer their price increase.
- While the format of the group does not allow for discussion around costs to individual suppliers, it was agreed that suppliers and Energy UK would work to provide implementation costs (particularly with regard to personalisation and the price rise tables) to Ofgem.

Transfer Window

- Discussion around whether suppliers need notice of a transfer and the data-flow implications of this. While not all suppliers may do so, some may ring-fence those customers who have given notice that they plan to switch, to ensure they aren't billed the increased prices before switching. Without a requirement for consumers to notify their supplier, suppliers may have to ring fence and not bill all consumers until the transfer window ends, when they could then bill consumers correctly depending on whether they had initiated a switch. .
- Similarly, there may be data-flow issues when a customer switches through a price comparison site, as suppliers receive varying levels of information (in terms of both frequency and the actual data received) from the sites.

- “Switch by” date was seen to be very important. If a consumer is told that to avoid a price increase they have only to have initiated a switch by a certain date, then the focus can be placed on accurately identifying this initiation date.
- The alternative option is for consumers to have completed the switch within, say, 42 days. However, there is a lack of (or at least a perceived lack of) control over the switching process from a consumer’s point of view which may be discouraging from this point of view.

Tariff Information Label (TIL)

- Current proposals mandate layout and content, though this does not necessarily include design, colours, etc.
- While a consumer may have to request their TIL under normal circumstances, it was felt that the information may be particularly effective on supplier websites and price comparison sites.
- The generic TIL will need to include “options” to cover the variety of payment methods, online availability, discounts available, etc.
- Some concerns raised around the TCR information that is to be included, as consumers will be shown two different p/kWh rates at different points, and the low/medium/high TCR comparison may lead to frustration among consumers given that the high consumption TCR may be cheaper on a p/kWh basis.
- Current messaging around a standard equivalent for 1kWh may not be that helpful, whereas a kettle/washing machine example may be more useful. It was felt that this information should be left to suppliers to decide individually.
- It was felt that there is a need to strike a balance between making the information useful to consumers and including all information.
- Further work is to be done on the degree of personalisation that will go into the TIL.