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The Renewable Energy Company Ltd (Ecotricity) Response to Enforcing Three Week Switching and Preventing Erroneous Transfers

Introduction

Ecotricity is an independent renewable energy supplier with just over 88,000 electricity and gas customers across the UK. We pride ourselves in the professional, transparent and personalised customer service that we offer, which is consistently recognised by our customers and third party surveys. Recently, we were placed at the top of the 2014 Which? energy company satisfaction survey.

Three week switching

We welcome Ofgem's proposals to speed up switching arrangements for energy customers as this will improve their experience in the energy market. However, we are concerned about the interactions between these changes and the proposal to allow customers to initiate the switch within the cooling-off window; without waiving their rights under the Consumer Rights Directive. This could potentially lead to situations where a customer requests a switch under SLC 14A.10(b)(ii); but then decides against it and informs the new supplier of their intention to apply their cooling-off rights. It is difficult in these circumstances for the new supplier to halt the switching process once this has been initiated. At the same time, we recognise the risk of aggressive sales methods 'pushing' customers into switching before the cooling-off period ends; and therefore locking them into fixed-term contracts that the customer would not be able to exit without a penalty.

With this in mind, we suggest that Ofgem introduce an additional clause to clarify that, where conditions SLC14A.1 and 14A.10(b)(ii) apply, if the customer changes their mind within the 14 day window, **the supplier should not be obliged to halt the switching process, instead allowing the customer to switch back to the old supplier at any time, without a penalty.** This would essentially mean that the customer cannot be locked in a fixed-term contract before the cooling-off period ends. We believe this alternative strikes the right balance between protecting customers and minimising technical complexities for suppliers.

Erroneous Transfers

We are concerned by Ofgem's intention to address the issue of erroneous transfers (ETs) by placing additional responsibilities on suppliers. In particular, we oppose the proposal to impose financial penalties under the Guaranteed Standards. This is because the reason why a significant number of ETs occur is the poor quality of data available through Xoserve and ECOES, for which the supplier making the ET is not responsible.

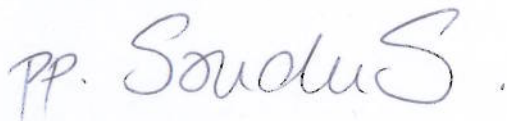
We welcome the proposed exemption for situations where the supplier acts in good faith but the customer provides incorrect information. We suggest that Ofgem go further and, in order to ascribe responsibility in a fair manner, **extend this exemption to situations when data from Xoserve and ECOES is incorrect.** This would incentivise a reduction in ETs without penalising suppliers who act in good faith.

Conclusion

We support the proposals to improve the switching process for consumers and shorten the switching window. We urge Ofgem to ensure a sensible approach the 14 day cooling off period, which prevents suppliers enforcing fixed contracts without adding costs and complications when a switch has started. Finally, we propose that suppliers should not be penalised when they act in good faith but cause an ET due to poor data quality.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact Holly Tomlinson on 01453 769301 or holly.tomlinson@ecotricity.co.uk.

Yours sincerely



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