

Andrew Wallace
Ofgem
9 Millbank
London
SW1P 3GE

Sent via email to: smartermarkets@ofgem.gov.uk

Haven Power Limited
The Havens
Ransomes Europark
Ipswich
Suffolk
IP3 9SJ

27 January 2014

Dear Mr Wallace,

Re: Preventing Erroneous Transfers

Haven Power Ltd (Haven) is a non-domestic electricity supplier that has been supplying Small Medium Enterprises since 2007. In 2009, we entered the Industrial & Commercial (I&C) sector and have been steadily growing our customer base in both areas.

We support the principle of working to reduce the number of erroneous transfers and the wider aim of simplifying the change of supplier process. However, we feel that guidance would be needed on what constitutes reasonable steps for the purpose of Standard Licence Condition 14A of the gas and electricity supply licences.

For example, in the case of an electricity customer, the requirement to take all reasonable steps to ensure a contract is "valid" could be considered to include checking the meter serial number of the customer's meter against ECOES. This could significantly complicate the change of supplier process especially for businesses and particularly for those with unmanned sites. Equally in domestic premises, customers may not be able to identify meter serial numbers or access them (e.g. if the meters are in locked rooms or outdoor cabinets).

Under the proposal we would be required to significantly extend the sales dialogue, which if coupled with the introduction of extra steps and consequent increased customer contact could potentially lead to both lower switching (as customers see it as difficult and intrusive) and higher sales costs. The former is certainly not in customers' interests; the latter would only add to the extensive list of supply costs facing upward pressures. Suppliers already have a natural incentive to avoid erroneous transfers – they cost money to reverse and cause complaints. We feel that this proposal could add a further burden for very little (if any) customer benefit.

In relation to the specific wording that you propose, we would suggest that the first limb of the definition of valid contract should be amended to read:

*(a) that has been entered into by **an authorised representative of the Customer.***

We would also like to point out that the analysis included in the letter only considers the figures and reasons given by the Big Six suppliers. Whilst the Big Six hold the majority of customers the licence conditions will affect all suppliers, we feel it would be more beneficial to look at the reasons and difficulties across the board to ensure that any solution improves the experience for all customers regardless of their supplier.

Yours sincerely,

Sent by email.

Debbie Houldsworth
Contracts Manager and Regulation Specialist
Email d.houldsworth@havenpower.com
Direct Dial 01473 237872