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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 110,000 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 and improve their experience of the energy market. We have supported wider industry calls for this process to be speeded up and we hope to eventually see one day switching. However, we remain concerned about the interactions between these changes and the proposal to allow customers to initiate the switch within the cooling-off window. Whilst we understand that it is not Ofgem's intention to oblige suppliers to offer switching during the cooling off period, enabling such a possibility in the licence conditions before it is actually possible under other industry regulations (Master Registration Agreement) is confusing at best. We would have expected greater coherence between industry code bodies and Ofgem to maximise compliance amongst suppliers. On this point, confirmation from Ofgem that it is not a requirement for suppliers to offer switching during the statutory cooling off period would be appreciated.

Prevention of erroneous transfers

We remain concerned by Ofgem's intention to address the issue of erroneous transfers (ETs) by placing additional responsibilities on suppliers. In particular, we continue to oppose the proposal to impose financial penalties under the Guaranteed Standards where this is not due to supplier error or deliberate breach; but rather is a result of the poor quality of data available through Xoserve and ECOES.

We welcomed the proposed exemption for situations where the supplier acts in good faith but the customer provides incorrect information. We are disappointed however, that Ofgem does not propose to ascribe responsibility in a fair manner, by extending this exemption to situations when data from Xoserve and ECOES is incorrect. We consider that this would incentivise a reduction in ETs without penalising suppliers who act in good faith.

Further, we are now concerned by Ofgem's most recent amendment to the Licence Conditions such that there will be a greater burden on suppliers to ensure that they have valid contract at the end of the statutory cooling off period, even though the switching process may have started during the cooling off period. Whilst we understand that Ofgem appreciate that there may be circumstances where a supplier will not have sufficient time to respond to receipt of a cancellation before a transfer request is made; greater clarity on Ofgem's sanctions in such circumstances and confirmation that the supplier would not be unduly penalised would, we consider, be appropriate.

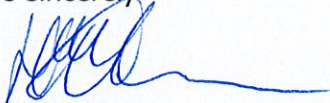
Finally, we consider that the process for objecting to customer transfers will be further complicated by the proposals to allow switching during the cooling off period; the issues around which appear to still be under discussion. It has been our opinion for some time that it would be in the most vulnerable consumers' interests if the ability for suppliers to object to customer transfers were removed entirely, requiring suppliers to recover debt through usual debt collection means. We are of the view that the objection system is often abused by other suppliers, objecting to transfers for reasons other than debt. We have raised this matter most recently at a DECC forum; the Challenger Business Programme hosted at 10 Downing Street.

Conclusion

We support the proposals to improve the switching process for consumers and shorten the switching window. We urge Ofgem to provide a coherent message regarding the expectations of suppliers in respect of switching during the imminent statutory cooling off period. Finally, we propose that suppliers should not be penalised when they act in good faith but cause an ET due to poor data quality or because of insufficient time to process a cancellation.

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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