

Barry Coughlan  
Ofgem  
9 Millbank,  
London  
SW1P 3GE

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Dear Barry,

**Good Energy's response to Ofgem's consultation on Domestic 3<sup>rd</sup> party intermediaries**

Thank you for the invitation to respond to the above document. Good Energy is a fast-growing 100% renewable electricity supply company, offering value for money and award-winning customer service. An AIM-listed PLC, our mission is to support change in the energy market, address climate change and boost energy security.

Executive Summary

Good Energy welcomes many of the proposals put forward in this consultation. We are however concerned that some of the proposals will create barriers to entry, especially to smaller community style TPIs who have no ambition to be mass market, and thus would have to cover fixed costs over a lower number of switchers. We also feel the Ofgem should address a way in which sites could "specialise" in certain tariffs thus negating the need to show full market comparison. For example, several "green" switching sites sit outside the code because, they do not want to list brown tariffs. We believe there must be a way to cover this without compromising the integrity of the results to consumers.

We would also like to see Ofgem explore how consumers can be given confidence in local, community style TPIs without burdening them with high compliance costs, which would be difficult to cover over a small switching churn.

We have answered your questions below, expanding where necessary.

**Q1. Do you agree with our summary of the current domestic TPI landscape? In light of recent developments in TPI services are there other important factors we should be taking into account?**

We believe this is a fair assessment of the market.

**Q2. Does the definition exclude services you would expect to be covered? If so, how might it be adjusted to accommodate them?**

We feel the definition is sufficiently overarching to include all services.

**Q3. Would this definition include services you would not expect in light of our TPI vision? Why do you think these services should be excluded?**

As the definition stands it could include TPIs such as renewable installers discussing with their client which suppliers are worth considering as their FIT licensee. We believe it would be inappropriate as it is not about which supplier is their import supplier, but could just be a reminder that they do not have to appoint their import supplier when submitting a FIT application. It could also include

discussions about export. To this end we believe the word “supply” is too vague and “consumption” should be used instead.

**Q4. Do you agree that domestic intermediaries should provide an independent, transparent, accurate and reliable service to their customers?**

Yes, although on transparency we are concerned that requiring whole market comparison must allow a TPI to specialise in certain tariffs/services and not list all tariffs in the market. For example a TPI could concentrate on Green tariffs, tariffs for PPM customers or looking forward, demand side response services. It is right that they should cover all suppliers’ tariffs that meet their criteria, but a green tariff specialist for example should not be required to list brown tariffs.

**Q5. Are you aware of any challenges for particular types of TPI models in embedding any of the principles? How might these challenges be addressed?**

As mentioned above we are concerned that TPIs who wish to specialise in certain types of tariffs should not be required to list tariffs that do not meet their criteria. This should be possible provided that the TPI makes clear the filter it is using and tariffs that fail the criteria are also available (without listing them). If these sorts of TPIs can be encouraged they could play a vital role in engaging people with the energy market in a way, price comparison-only TPIs cannot.

On accuracy, we have a concern about smaller TPIs ability to keep track of all suppliers’ tariff offerings. There is no central database of tariffs or active suppliers so TPIs are reliant on all suppliers providing updates, and being able to update them in a timely manner.

**Q6. We have identified information exchange and face-to-face services as priority areas for consideration. Are there other areas you think we should be focusing on in the near future?**

Whilst we agree with the immediate areas of concern, it is important looking forward that a flexible approach is taken so as to not pre-empt what innovative services may be delivered by smart metering and the ability of consumers to share their data with service providers, or suppliers offering such services.

One way to allow this flexibility, whilst maintaining consumer protection is to embody within a code a standard of conduct similar to that applied to suppliers. In particular a requirement to make reasonable attempts to ensure the service provided is suited to the consumer.

**Q7. Are you aware of barriers to effective information exchange between suppliers and TPIs which impact on services to consumers? If so, how might these barriers be addressed?**

The general consensus is that the data is owned by the consumer, and as such it is the consumer’s decision as to whom has access (Suppliers having a right of access to some data to deliver the supply of energy). Suppliers are mindful of their obligation to keep data secure and should therefore only release at the customers behest. As TPIs are not regulated, then suppliers need to be comfortable that a request for information from a TPI has the continuing consent of the customer, with the customer being fully aware of what that data contains. The best way to ensure this is to release the data to the customer, who can then share some or all of it with any TPI that they choose.

**Q8. What further steps do you think we should take to facilitate face-to-face services, particularly to support engagement with more vulnerable or harder-to-reach consumer groups?**

Face-face services split into two distinct sets of service providers, those that are engaged for commercial gain and those that do so to help consumers, often charitable or community groups. It is important that rules used to ensure fair play by the former do not tie the latter up in complex rules and audit requirements thus preventing the important work they can do in reaching vulnerable and hard to reach consumers.

**Q9. What are your views on our proposal to increase the transparency of sites' commission arrangements with suppliers and the impact this has on the results a consumer will see?**

We agree that customers should be aware of which suppliers the site has a commission arrangement with, but feel that having a requirement that the information two clicks away from the homepage will continue to allow information to be buried (e.g. need to click on Legal stuff, then financial information). A better arrangement would be for this information to be displayed on the search result page, with the top of that page making clear any filtering that has occurred. We agree that the amount of commission paid is not required.

In face to face services, consumers must be told if the advisor is only recommending suppliers who make commission payments to them.

**Q10. Do you agree that sites should direct consumers to the sources of independent advice identified? Are there other sources you would suggest?**

We agree that switching sites should direct customers to the Energy Savings Trust or similar organisations such as the Centre for Sustainable energy, but feel that the other links mentioned are best accessed from the partner web site. We also feel that it may be useful if the sites were also helpful in directing people to the Money advice service as people's prompt to switch may be because they have need of financial help.

Again we feel that two clicks is away would allow the links to be buried, but by keeping the requirement to two sites could mean that they could be included on either the home page (The Money Advice Service could be generic across several services that the TPI provides) or the search result page.

**Q11. Do the current requirements (within the code or more widely) or supplier practices put unnecessary restrictions on sites' business models? If so, what changes could be made to allow greater flexibility?**

We believe the current requirement to list all tariffs is restricting the ability of switching sites to specialise. The most noticeable example being that any switching site wishing to provide advice on green tariffs cannot be part of the code unless it lists all brown tariffs as well. Going forward TPI's may wish to concentrate on demand side services, customer service etc.

TPIs should only be required to list all tariffs that meet their criteria, which is clearly explained and include a statement that other tariffs not meeting the requirements exist. We believe that allowing such sites to come into play may help engage more customers in their energy use, and increase switching, and awareness of options other than price.

If whole market criteria is kept, then switching sites should be required to include additional filters on fuel mix, payment type and customer satisfaction so that the customer is not limited to price.

**Q12. Should there be a central repository of information for prepayment customers? Who should fill this role? And in what way could sites facilitate the provision of this information to customers?**

Further to our answer to Q11. If the rules were changed to allow a TPI to specialise in helping customers find the best PPM tariffs, then it would probably include information about the debt assignment protocol to encourage business. It could include this information as part of its debt transfer process. We feel that PPM customers would find an independent switching site specialising in their meter type useful. Alternatively, all sites should be required to include PPM as a filter.

**Q13. What timeframe would you propose for implementing our proposals in relation to site independence?**

This question is best answered by the switching sites.

**Q14. Do you agree with our proposal to increase consumer awareness of the availability of whole of market comparisons? Are there better alternatives?**

Whilst we welcome the move to greater transparency, we would prefer a solution that allows sites to specialise in certain tariffs. This would of course need to be clear and unambiguous, perhaps in a similar manner as proposed for filtering.

**Q15. Do you agree with our proposal to allow sites to compile their own supplier ratings? Are there factors other than those set out that sites should consider when formulating their ratings methodology?**

Yes, but where they have insufficient data to rank a supplier, they should make this clear in a way that doesn't suggest the supplier is poor, and suppliers should have a right to challenge if they believe the ranking is flawed.

**Q16. Do you think there is benefit in exploring further the criteria for filtering or categorising green or environmental tariffs on comparison sites? Do you have suggestions for the best way to define these criteria?**

We support the filtering of Green and environmental tariffs. We would propose that filtering should be on fuel mix. Indeed, we think customers should be able to filter on fuel mix across all tariffs. As fuel mix should be shown at point of sale. They should also be required to update fuel mix by 1<sup>st</sup> October as suppliers are.

**Q17. What timeframe would you propose for implementing our proposals in relation to transparency?**

This is best answered by switching sites although the question regarding Green tariffs needs an early conclusion now Ofgem have decided on the way forward.

**Q18. Do you agree with our proposal for sites to use personal projection methodology when calculating the cost of a tariff?**

Yes. This seems sensible.

**Q19. Do you agree with our proposal to require sites to display a Tariff Information Label for each of the tariffs on their sites?**

Yes. This seems sensible.

**Q20. Should we seek to ensure consistency of tariff cost results across the industry? Or should we allow room for suppliers and TPIs to differentiate by adopting their own methodologies?**

Whilst recognising the benefits of comparability we believe that all parties could improve their forecasting ability and as such to mandate a particular solution risks hindering innovation.

**Q21. What timeframe would you propose for implementing our proposals in relation to site accuracy?**

This question is best answered by the switching sites.

**Q22. Do you agree that we should introduce principles from the complaints handling standards into the code? Are these the right principles to introduce?**

We are supportive of aligning TPI complaints processes with those of suppliers. With regard to the inclusion of the supplier involved, this should only occur where the supplier is identified as either the root cause or complicit in the customer's dissatisfaction. The sites should not routinely mention the suppliers involved in the switch if they are not at fault.

**Q23. Do you support our proposal to introduce messaging and links to warm homes discount information as a requirement of the Code? Do you have specific views regarding where and how this information should be presented to the consumer?**

Whilst we agree it is important that consumers accessing the Warm Homes Discount do not inadvertently lose their entitlement, it is also important that customers are not dissuaded from switching to non-participating suppliers due to a misunderstanding of eligibility.

We propose that along with this warning should be a clear link to details of the criteria for entitlement, so people can easily assess whether the matter is relevant to them. It would also have the additional benefit of ensuring that some customers missing out on their entitlement could be alerted to the fact.

**Q24. Do you agree that we should set up a working group to discuss accessibility guidelines?**

This may be useful, but any adoption of rules should be voluntary so as to not create a barrier to entry for new sites.

**Q25. What timeframe would you propose for implementing our proposals in relation to site reliability?**

This question is best answered by the switching sites.

**Q26. Do you agree with our proposals to allow a broader range of comparison sites to become accredited under the code?**

Yes. We feel that having a greater number of sites operating within the code would be beneficial to consumers. Responsibility for maintaining accreditation should rest with the site, who can back to back the requirement to have a suitable database into their contract.

**Q27. What challenges and benefits do you envisage if we were to expand the Code to cover mobile apps? And follow-up prompt services?**

We would include the use of follow-up prompt services within the code as a customer will be aware the site is a signatory to the code, but not aware that the follow-up service is not covered. This could give the customers false confidence in the information.

With regard to mobile apps, we think the barriers are that innovation may be constrained if they have to conform to a code aimed at a particular model. If they were to be included, then they should have their own code within the main code to ensure they are not constrained

inappropriately, whilst ensuring they meet the overarching criteria on Independence, transparency, accuracy etc.

**Q28. Do you have suggestions as to how best to increase awareness of the code among consumers?**

The code logo should feature prominently on all switching sites, and hyperlink to a site maintained by Ofgem explaining what the code is for and how it provides assurance for consumers.

**Q29. Do you agree that we should appoint a single auditor and pass through the costs to sites? Are there better ways of achieving this?**

We would support this approach, but would add the caveat that whilst Ofgem should be responsible for setting the terms of the auditor, it should set upon itself a duty to consult with accredited sites and suppliers on those terms.

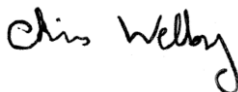
**Q30. Do you agree with the proposed changes to the code audit, enforcement and compliance, and change processes?**

We welcome the clarity proposed; in particular to focus more on ensuring sites are compliant with the code rather than a one track solution driven by enforcement. We believe the attitude is welcome.

On the change process, we welcome the idea of a structure to develop change more formally, and to allow sites to propose changes. We do feel however, that suppliers should be invited to comment on any changes proposed.

I hope you find this response useful. If you have any questions or require clarification, please do not hesitate to contact me.

Kind regards,



Chris Welby

Policy & Regulatory Affairs Director