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Barnaby Cowin
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3 October 2014

Dear Barnaby,

Please find below MoneySuperMarket's responses to the consultation document, 'Domestic third party intermediaries: Confidence Code and wider issue'.

MoneySuperMarket is supportive of efforts to ensure that the price comparison market provides consumers with a clear, trusted and accurate method of engaging in energy switching.

It is important that the switching process via any third party intermediary is robust from start to finish. As such, the measures that enable TPIs to access central databases with more accurate metering and consumption data is very important.

We are proud of our Ofgem Confidence Code accreditation and would not wish to see this value diluted unnecessarily, particularly as we believe consumers currently see little difference between TPIs that are accredited and those that are not. We would therefore like to work with Ofgem to raise awareness among consumers of the benefits of using an accredited site.

Personal Projections is another area where we would like to engage with Ofgem to ensure that the method of calculation is clear, simple and consistent. The excellent work brought about through RMR is in danger of being undermined by inconsistent application of Personal Projection calculations and the continuing uncertainty around seasonality. We would therefore like to see the consultation address this early in its course.

We have answered the key consultation questions below:

CHAPTER 2

Question 1: Do you agree with our summary of the current domestic TPI landscape? In the light of recent developments in TPI services, are there other important factors we should be taking into account?

MoneySuperMarket agrees that from a consumer perspective the importance of TPIs continues to grow. Consumers are increasingly using price comparison across multiple goods and services and within the energy market in particular it is playing a bigger role as energy suppliers have abandoned some of their traditional sales channels as a result of the fines and poor sales practices.

MoneySuperMarket believes that the telesales route to market should also be taken into account as an important customer choice of channel that is currently not covered under the code.

Question 2: Does the definition exclude services you would expect to be covered? If so, how might it be adjusted to accommodate them?

As above with telesales. Whilst online comparison is growing, a high number of consumers still don't know how to, or don't want to access online services. Therefore telesales is a vital sales channel.

MoneySuperMarket also welcomes the opening up of dialogue around face-to-face sales as this has been an area of significant uncertainty

Question 3: Would this definition include services you would not expect in light of our TPI vision? Why do you think these services should be excluded?

No

Question 4: Do you agree that domestic intermediaries should provide an independent, transparent, accurate and reliable service to their customers?

Yes MoneySuperMarket agrees with this statement and we welcome the support and assistance of Ofgem in providing clear and unambiguous guidance on the interpretation of new rules and license conditions to avoid suppliers 'prescribing' conflicting conditions. This was evidenced during RMR implementation where one supplier advised us we were the only compliant TPI whilst another supplier asked us to suspend switching as 'non-compliant' on the same issue.

Transparency via a whole of market view is something we support. However, there must be measures in place to prevent suppliers deliberately obtaining free marketing without any intention to engage in the TPI market as a whole.

This is a different issue to the agreement of commercial terms.

Question 5: Are you aware of potential challenges for particular types of TPI models in embedding any of the principles? How might these challenges be addressed?

The application of rules for white labels and non-accredited sites should mirror those for accredited TPIs. Accuracy can be undermined if they apply rules differently.

Question 6: We have identified information exchange and face-to-face services as priority areas for our consideration. Are there other areas you think we should be focusing on in the near future?

As indicated MoneySuperMarket considers including telephone sales as an important part of any Code revision.

Question 7: 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?

There are a number of barriers that prevent TPIs providing a better service to customers. The current address and meter databases used by TPIs are recognised as being inadequate and contribute to the erroneous transfer levels that Ofgem is targeting to reduce. TPI access to the Ecoes and Xoserve databases would greatly improve accuracy of property identification and thus lead to suppliers reducing the number of erroneous transfers.

Access for consumers to tariff and consumption information via Midata and/or QR codes will also support customers entering accurate tariff information. This will help build trust and confidence in the switching process and should result effective outcomes for those who do switch.

Question 8: 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?

MoneySuperMarket agrees that the decline of face-to-face services by suppliers has led to certain consumer groups becoming underserved in the switching market. A single supplier view approach to doorstep selling is clearly not in support of a transparent market and we support Ofgem in looking at providing clarity. Notwithstanding your letter of October 2012, and further references in subsequent documents, suppliers are still not inclined to allow third parties to sell their products face-to-face citing SLC 25 and the fines that have been recently levied.

We would look to Ofgem providing clear parameters on which suppliers can feel comfortable to engage in discussions with TPIs.

We believe all parties are looking to cater for the harder to reach groups and therefore these new guidelines would help.

CHAPTER 3

Question 9: 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?

MoneySuperMarket supports your stance that displaying the amount of commission has no consumer benefit. All suppliers provide the same tariffs to TPIs regardless of individual commercial arrangements and the current code guidelines prevent any TPI from filtering based on commissions.

We are unsure about your comment in section 3.9 in this regard, however.

We would support a standardising of the wording TPIs use to inform customers that they are paid by suppliers and the maximum clicks and routing to find this information.

We would also be interested in discussing the standardisation of wording on sites to clarify the difference between a whole of market view or one filtered by those suppliers with whom TPIs have a commercial agreement.

The point that we made earlier in this consultation around non-accredited TPIs also remains pertinent. We believe strongly that non-accredited sites need to apply the same conditions regarding filtering.

Question 10: Do you agree that sites should direct consumers to the sources of independent advice identified? Are there other sources you would suggest?

MoneySuperMarket would be happy to discuss the revised links and areas of advice signposted on our site. We support the need to inform customers and build engagement in the market and produce a lot of our own written and video content, which is independently written by in-house journalists, to help educate those visiting our site.

However, there may also be areas where TPIs build independent and commercial agreements with organisations providing energy savings and efficiency advice and services. This needs to be taken into account when setting prescriptive conditions.

Question 11: Do 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?

MoneySuperMarket believes that Code accreditation affords suppliers some comfort on accuracy and compliance and would not look to dilute this.

Question 12: Should there be a central repository of information for prepayment customers? Who should fill this role? And in what way could site facilitate the provision of this information to consumers?

MoneySuperMarket does not believe a central repository is necessary. The suppliers need to establish a code of practice around prepayment meter debt.

Question 13: What timeframe would you propose for implementing our proposals in relation to site independence?

MoneySuperMarket would support a dialogue for changes on the area of site independence, but does not feel this is urgent.

CHAPTER 4

Question 14: Do you agree with our proposal to increase consumer awareness of the availability of whole of market comparisons? Are there better alternatives?

Yes, MoneySuperMarket agrees with your assessment of this issue.

Question 15: 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, MoneySuperMarket agrees with this proposal and that the methodology should be available and transparent.

Question 16: Do you think there is benefit in exploring further the criteria for filtering or categorising green and environmental tariffs on comparison sites? Do you have suggestions for the best way to define these criteria?

The appetite for green tariffs remains very low through the TPI market and as such would suggest this is not prioritised in this consultation.

Question 17: What timeframe would you propose for implementing our proposals in relation to site transparency?

MoneySuperMarket would support a dialogue for changes on the area of site transparency, but does not feel this is urgent.

CHAPTER 5

Question 18: Do you agree with our proposal for sites to use the Personal Projection methodology when calculating the cost of a tariff?

To build trust and transparency, MoneySuperMarket believes that all sites (including white label and non-accredited) should calculate Personal Projections using the same methodology.

The current approach for calculating current and future bill amounts, introduced as part of the RMR, provides a clearer picture for consumers but we think it requires more time to become established.

However, the question of how seasonality is calculated needs to be addressed and standardised. Currently consumers are visiting accredited sites and getting differing personal projections because different calculations are being used. This is building a perception that shopping around between accredited TPIs gets you better deals: something that is not the case as all sites list the same tariffs.

Question 19: Do you agree with our proposal to require sites to display a Tariff Information Label for each of the tariffs on their site?

Yes, MoneySuperMarket agrees that sites should display Tariff Information Labels but believes this should only apply to tariffs currently available, not historic tariffs.

Question 20: 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?

MoneySuperMarket would strongly support consistency. Any application of differing methodologies, where input information is known by the customer, would result in customer confusion and lack of trust.

However, the area where we do support different methodologies is where customers are asking sites to support them in estimating their current and future spend. TPIs have a variety of models for this and we are happy to work with Ofgem in seeking to validate the effectiveness of these models to ensure they support customers in the switching market.

Question 21: What timeframe would you propose for implementing our proposals in relation to site accuracy?

The methodologies from RMR implementation have not been carried out by all TPIs and as such inconsistency is being seen across different sites even if the same customer information is inputted. This is contrary to RMR principles and Ofgem goals and as such MoneySuperMarket would support a prioritised workstream on site accuracy.

CHAPTER 6

Question 22: Do you agree that we should introduce principles from the complaints handling standards into the Code? Are these the right principles to introduce?

MoneySuperMarket supports discussions with Ofgem to ensure that the complaints handling processes of TPIs are sufficient and support customers. Prescriptive approaches may be difficult to implement but a level of KPIs should be discussed.

Question 23: Do you support our proposal to introduce messaging and links to Warm Home Discount information as a requirement of the Code? Do you have specific views regarding where and how this information should be presented to consumers?

MoneySuperMarket supports the principle of ensuring relevant customers are aware of the Warm Home Discount scheme. However, it should be recognised that it only impacts a small percentage of switchers using TPIs and could add uncertainty to many consumers and create a barrier to switching.

We would look to make Warm Home Discount prominent on our site and investigate ways of identifying customers who are eligible.

Question 24: Do you agree that we should set up a working group to discuss site accessibility guidelines?

Yes, this is something MoneySuperMarket would support.

Question 25: What timeframe would you propose for implementing our proposals in relation to site reliability?

MoneySuperMarket would support a dialogue for changes on the area of site reliability, but does not feel this is urgent.

CHAPTER 7

Question 26: Do you agree with our proposals to allow a broader range of comparison sites to become accredited under the Code?

Currently MoneySuperMarket does not believe consumers place any real value in accreditation or are aware of the fact that many TPIs are not accredited.

We would call for Ofgem to build awareness of the Code and the benefit for consumers of using an accredited site rather than potentially diluting the value further by broadening the range of sites that can become accredited.

Question 27: What challenges and benefits do you envisage if we were to expand the Code to cover mobile apps? And follow-up prompt services?

Suppliers have interpreted RMR in a number of ways with regard to the display of TIL and TCR information, principle terms, T&C's etc and we believe that TPIs would face challenges from suppliers with regards to whether mobile apps could display this information in a way that is satisfactory to them.

However, MoneySuperMarket sees mobile apps as an important development from a consumer perspective and recognises that consumer behaviour is changing. We would therefore be keen to work with Ofgem on how to expand the Code to support this.

With regard to follow-up prompt services, MoneySuperMarket believes that this is a marketing function and therefore flexibility of approach should be allowed by TPIs. The inclusion of TIL/TCR information in emails may lead to lack of engagement from customers. The principles of TCF should be applied in this area and providing customers are taken through an accredited comparison route prior to switching, they will get access to TIL/TCR at that point.

Question 28: Do you have suggestions as to how best to increase awareness of the Code among consumers?

MoneySuperMarket believes greater clarity around the consumer benefits of using an accredited site is required. Awareness of the Code can then be increased via a consumer-facing campaign which educates people about its value and the fact that not all TPIs are accredited.

At the moment we feel that most consumers are unaware of the Code's existence and accreditation is not something that influences their decision as to which site or sites to use.

Question 29: Do you agree that we should appoint a single auditor and pass through the costs to sites? Are there better alternatives for achieving this?

A single auditor is the only option to ensure consistency of approach unless this is completely objective and based on a quantitative scoring model. MoneySuperMarket would expect to be involved in any discussions regarding this appointment and consulted on the potential costs.

We would expect all sites to undergo the same level of rigor, regardless of accreditation, to ensure consistency for both TPI and consumers.

Question 30: Do you agree with the proposed changes to the Code audit, enforcement and compliance, and change processes?

MoneySuperMarket supports the proposal of introducing more dialogue and flexibility in issue resolution and increased engagement with accredited sites and we look forward to working with Ofgem in shaping this.

If you have any questions relating to our response, please do not hesitate to email us for clarification. I am actually going on maternity leave at the end of next week so my colleague Paul Lawler is a better point of contact: paul.lawler@moneysupermarket.com. We would also be more than happy to meet with Ofgem to discuss our submission in more detail.

Yours sincerely

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