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Dear Andrew

Which? supports Ofgem's proposal to move to reliable next day switching by 2018. Switching is a key element of consumers' engagement with the energy market and at a time when consumers are worried about their energy bills,¹ speeding up the move to a cheaper tariff is clearly welcomed. Further, it is the combination of appealing offers and fast, easy and reliable switching that will enable consumers to play their role in driving competition.

In the current arrangement, consumers who have searched the market and decided to switch to a tariff have to wait up-to six weeks to be moved onto the new tariff. As a result the gains from switching do not benefit household budgets immediately in the way that, for example, shopping at a cheaper supermarket the day after shopping at an expensive one would. A move to next-day switching would significantly hasten this and we would support the introduction of a faster switching system as soon as possible.

While speed is important, ease and reliable, error free switching is clearly vital. Which? research found that around 10% of consumers who have not switched but who attempted it, gave up because something went wrong in the process.² During the transition to the new system and once on system itself, must provide consumers with an accurate and reliable switching experience. A poor switching experience would likely put some consumers off from switching in future. We welcome Ofgem's recognition of the importance of ensuring reliable and accurate switching as illustrated in **Principle 1 - Focus on consumer outcomes** and the consideration of the implementation risks.

While Which? supports the proposal to move to next-day switching, this can not occur at any cost. Issues of cost and time overrun are commonplace in the implementation of new IT systems. The introduction of this system must be well managed to ensure that consumers, many of whom are already struggling to pay their bills, are not left picking up the tab for yet another bungled - over budget and late -IT project.

To this end, Ofgem's consideration of giving/ licensing the price-controlled DCC to develop and implement the system is clearly appealing. This offers the important advantage of greater ability to keep costs under control than placing delivery obligations on suppliers. However, Ofgem must be vigilant in ensuring that the DCC is not distracted from delivering its smart meter roll-out obligations.

¹ Which? Consumer Insight Tracker

² Which? Energy Tracker, December 2013



As we have set out previously, alongside faster, easier switching must also come simpler pricing. By enabling at a glance comparison of tariffs, simpler pricing would help address a number of other barriers that currently prevent consumers from switching.

Yours sincerely,

Fiona Cochrane