



Submitted via email

4 November 2014

Dear Ruben,

This response was prepared by the Consumer Futures team within Citizens Advice. It has statutory responsibilities to represent the interests of energy consumers in Great Britain. Citizens Advice welcomes the opportunity to respond to Ofgem's consultation on white label providers. We broadly agree with the proposal presented in your consultation document to protect and inform customers of white label providers.

1. [Do you agree with our current assessment of white labels? If not, please provide any evidence you have to support your answer.](#)

Citizens Advice agrees with the Ofgem assessment that traditional white labels, such as M&S Energy and Sainsbury's Energy, have the potential to add choice, customer service and engagement. We also agree that they provide limited benefit for price competition.

As stated in our response to Ofgem's call for evidence on white labels, some white labels offer innovative options for consumers. Ebico, whilst operating under SSE's licence, have offered zero standing charge tariffs and do not have price surcharges for Quarterly Cash or Credit (QCC) or prepayment meter (PPM) users, which are particularly beneficial to low gas users.

2. [What are your views on our tariff proposals? If you do not support our proposals on either the tariff cap or the other RMR tariff rules, please explain your reasoning.](#)

Citizens Advice supports the tariff proposals presented providing the relevant information is appropriately and clearly presented to the consumer. We agree that white labels should be excluded from a partner supplier's tariff cap; if they are included licensed suppliers may choose not to have any white label partners. We are also comfortable with the decision not to impose a limit on the number of white labels a supplier can have providing they bring benefits to consumers.

We also agree with your proposals on other RMR tariff rules, and that it makes sense for white labels to be treated as separate from their partner supplier on RMR tariff rules on surcharges, discounts, optional bundles and reward points, end of fixed-term tariffs and expensive dead tariffs. As stated in the consultation document, if white labels are only allowed to offer the same arrangements in these areas as their partner supplier then it may limit the white label's ability to offer distinct tariffs and to innovate and therefore deliver benefits to consumers. Consumers should also be informed of all optional bundles or benefits to allow easy comparison of all white label tariffs.

3. [What are your views on our CTM proposals? If you do not support our CTM proposals, please explain your reasoning.](#)

Citizens Advice agrees with your proposals for the Cheapest Tariff Message (CTM). It is crucial that consumers are fully aware of the relationship between their white label supplier and the partner. The wide CTM should encourage consumers to engage with their supplier, and it should be easy for the consumer to assess whether the white label or partner supplier tariffs are cheaper.

We are pleased with Ofgem's proposal to require white labels to include tariffs of its partner supplier in the calculation of the wide CTM as consumers should be fully informed of the cheapest tariff available to them. It is important that consumers are aware of the white label-partner supplier relationship and we would expect there the CTM messaging, where appropriate, to explain the relationship.

4. If you are a partner supplier or white label, how long do you envisage it will take you to implement our CTM proposals? Please explain the activities and timescales for implementation.

Not applicable to Citizens Advice.

5. Do you think that we should require white labels to publish information setting out the value that they deliver to consumers? If you think so, please outline what information you think white labels should provide.

It is our view that all consumers should have all essential information when considering a new energy supplier. We agree white labels and their partner suppliers should be required to publish information setting out the value that they deliver to consumers.

Citizens Advice believes that white labels should provide similar information to that of all fully licensed suppliers. At the White Label Workshop, it was said that white label complaints should be recorded separately to that of their partner supplier. We support this and will ensure it is reflected in our databases.

6. Do you have any comments on our draft of proposed supply licence conditions changes in Appendix 3?

Citizens Advice agrees with the proposed changes to the supply licence conditions, and feels that the sections relating to the Cheapest Tariffs Message and statements explaining the white label-partner supplier relationship are clear and should help to protect consumers.

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Policy Advocate