



The Carpenter's Workshop  
Blenheim Sawmill  
Combe  
WITNEY  
OX29 8ET  
Tel. 01993 404608  
Email. info@ebico.org.uk

Ruben Pastor-Vicedo  
Domestic Retail Market Policy Team  
Ofgem

6th November 2014

Dear Ruben

Thank you for the opportunity to respond to this important consultation which I do on behalf of Ebico Limited.

Ebico has been active in the GB domestic market as a white label for over 15 years and we have, as you know, been an active participant in the discussions leading-up to this consultation. As a not-for-profit social enterprise, we feel passionately about the social justice and customer experience-related features that we have been able to bring to the market by virtue of our status as a white label and we are delighted by Ofgem's generally positive view of the sector.

Our responses to the consultation questions are as follows:

**Question 1: Do you agree with our current assessment of white labels? If not, please provide any evidence you have to support your views.**

We agree that white labels add value to the market in terms of choice, customer service and engagement. In addition, we believe that white labels can, and do, exert competitive pressures on market prices and cite, as an example, the significant reduction in the premium charged to prepayment metered customers, following the launch of EquiGas/Equipower.

**Question 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.**

We support Ofgem's tariff proposals.

**Question 3: What are your views on our CTM proposals? If you do not support our CTM proposals, please explain your reasoning.**

Whilst we understand Ofgem's reasoning behind its CTM proposals in general, we make, both an observation regarding the logic of Ofgem's position, and an associated amendment proposal.

Ofgem states its view, in this consultation, that, "white labels have a limited benefit for price competition". As we have stated, we take issue with this statement as would, we believe, many EquiGas/EquiPower customers. However, we can agree with Ofgem that white labels bring other major benefits to the market through greater customer engagement and service. It seems peculiar, therefore, that in requiring CTM messaging to appear on the first page of a bill or statement of account, Ofgem propose to require white labels to give precedence to communicating the price position of its offering over its other value-adding features. Given Ofgem's arguments in favour of the wider value that white labels bring, we believe it would be consistent with these for white labels to be entitled to give precedence to statements of this value (see response to Qu5, below) over that of price. We propose that, provided CTM messaging appears in the specified form on each bill,

white labels should not be required to place the messaging in a specified position within the bill/statement. We believe that effect could be given to this by simply amending Schedule 1.1 to Standard Condition 31A to:

*S1.1 In order to comply with its obligations under paragraph 31A.2, the licensee must:*

*a) except in the case where S1.1(b) applies, ensure that a "Could you pay less?" label is displayed in a box on the first page of every Bill or statement of account.*

*b) in the case of Bills and statements for white labels, ensure that a "Could you pay less?" label is displayed in a box on a page of every Bill or statement of account.*

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

We understand from our partner supplier that, as a result of the coincident deployment of IT resource on change projects arising from other regulatory changes, the time required to implement Ofgem's current CTM proposals would be a minimum of 9 months from the publication of Ofgem's decision document.

**Question 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.**

Whilst we are clear regarding the value that EquiGas/EquiPower offers to our customers in terms of greater social equity and customer service, we are aware that our tariff is unique and that, as a result, using these benefits to produce a template that could be applied to all actual and potential white labels is not practical. We do believe, however, that all white labels should be required, on an annual basis, to issue a public domain report explaining the value that it has delivered to energy consumers in the past year. These statements could become a forum for competition, in terms of the non-price wider value-added claimed, amongst white labels. As such, Ofgem need only mandate their publication, leaving the evolution of content and format to competitive pressure.

**Question 6: Do you have any comments on our draft of proposed supply licence condition changes in Appendix 3?**

Outwith our proposed amendment to Schedule 1.1 to Standard Condition 31A, no.



Managing Director  
Ebico Limited