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20th March 2015

Final proposals on the treatment of white label providers in the domestic retail market

Dear Adhir,

Thank you for the opportunity to respond to this statutory consultation on final While Label (WL) arrangements in the domestic retail market. We are supportive of a robust WL framework and welcome implementation at the earliest opportunity. The right WL framework will deliver benefits to consumers, particularly in terms of increased engagement and innovation.

We understand the reasoning for suppliers and WL partners to include a Cheapest Tariff Message (CTM), where the other is cheaper. However, it is disappointing that Ofgem have not agreed with the points we raised regarding the CTM on our previous consultation response. In our view, innovative WL tariffs will be important for the future of the market and such arrangements may need to be hosted using different systems to enable a unique proposition for the customer. This may not be possible or may have significantly increased costs should there be a requirement to include a CTM, thereby acting as a potential deterrent to innovation.

We would be happy to discuss this and our previous response further. Answers to the consultation question are within the appendix.

Yours sincerely,

Richard Vernon



Appendix

Question 1: Do you think the implementation date of our proposals is appropriate? If not, please explain your reasoning, suggest an alternative implementation date and provide evidence to support it.

We support the proposed implementation date of the enduring white label framework and do not anticipate any problems with this implementation.

Question 2: Do you agree that the amendment to the white label definition captures the policy intent of our proposals? If not, please explain your reasoning.

The intent behind proposed changes to the white label definition is to prevent suppliers from creating 'fake' white label relationships in order to bypass RMR rules. This is achieved through an additional condition to the definition of a white label tariff. Specifically, a tariff is not a white label tariff if the licenced supplier engages in activities that are directed or incidental to identifying and communicating with Domestic customers for the purposes of promoting the tariff to them.

We agree that 'fake' WL tariffs will not benefit consumers, however would question what evidence exists that this is likely to be an issue in the future. Introducing this may create hurdles to a supplier and non-supply organisation who wish to set up a white label partnership. It is not clear what level of interaction would count as 'engagement' in a scenario where an existing licenced supplier may be able to offer support from its experience within a genuine partnership. As such we do not believe the definition is required.

Question 3: Do you have any comments on our proposed supply licence condition changes in the supplementary appendices?

No.