

Contract Natural Gas Ltd
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Ref: Response to Ofgem Simplification Plan 2016/17

Dear Sir,

In 2015 we undertook a significant amount of research into our own business and the wider energy industry. Complexity was a major sticking point for end-users, particularly amongst our target market, SMEs. This manifested itself both in the form of fear and the feeling of an almost complete lack of control.

This idea that energy enables any small business to operate and also gives us so much in life, yet was also a very alien concept to the very people we serve, is a very powerful one. When we talk about 'emotion' in business, it's all too-often shrouded in striving to create an 'emotional connection with the customer'. Well guess what: energy is already an emotional topic for anyone in charge of energy procurement. Customers don't need our help in creating an emotional connection. What they need is emotional support. They need to be given more power.

As a supplier of 50,000 SME customers as well as being the UK's largest independent shipper of gas (to an additional 900,000 business and domestic end-users) CNG sits in a relatively unique space. Whereas once our industry thrived on complexity, it has now been dragged kicking and screaming into a simpler world. The very fact that Ofgem needs to produce an annual 'simplification plan' speaks volumes. We need an attitude shift from deep within the industry. One that acknowledges the customers are at the forefront of our world.

This shift in power, from the energy industry to the consumer, may seem counterintuitive to some suppliers. But it's a change that needs to happen. In our two decades of gas supply, we've driven change for a simpler industry, whether that be the way we help new suppliers enter the market, the way we work with brokers to ensure a more positive customer journey or the way we make bills easier to understand: it should all be part of the day job.

It's all very well saying the right things, but we have to cut through an awful lot of industry bluster and fuss to get to the heart of what customers truly deserve. A closer connection to the end-user leads to an enriched relationship on both sides.

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Initiatives to simplify the industry should be welcomed, but without the unconditional buy-in from the whole sector, it'll be little more than paying lip-service. Perceived apathy within the market shouldn't be taken for granted – this is a symptom of a wider malaise – the loss of control that's been eroded from customers over years, if not decades.

But by working together, we can fix these issues. Energy firms don't have to be the bad-boys of business. We have a precious commodity and a responsibility to all our customers to deliver this. Giving customers the power is just the start. Regulation isn't always a positive thing. What's key here, is that as an energy industry, we all work together for a fairer future on behalf of our customers. Ultimately, they're the ones who are in charge.

Yours Faithfully

Colin Hollins
Operations Director