

Rachel Nicolson

From: Confidencecode
Sent: 28 September 2016 16:15
To: Clem Perry; Dennis Berg
Subject: FW: Ofgem Paper - gocompare.com response (Helping consumers make informed choices – proposed changes to rules around tariff comparability and marketing) [OFFICIAL Internal Only]

Hello,

Please see Gocompare's response/comments.

Thank you,

From: Ben Wilson
Sent: 28 September 2016 14:55
To: Confidencecode
Subject: Ofgem Paper - gocompare.com response

Good Afternoon.

Thank you for inviting us to respond to your paper entitled "*Helping consumers make informed choices – proposed changes to rules around tariff comparability and marketing*" published on 3rd August.

As a white label of a Price Comparison Site we don't feel we are able to fully answer all the questions as we are not as close to the industry as PCW's and suppliers but we strongly believe in making it easier for customers to switch their energy suppliers if they wish.

We note your proposed changes to Personal Projection and are concerned that the lack of a standardised approach to how price savings and estimated costs are calculated could result in confusion when customers are comparing prices against other tariffs but also when comparing against different switching sites. We reference table 2 (below) from your paper that highlights this risk

We would welcome further involvement with you to understand how these issues can be reduced and improve clarity for customers.

Helping consumers make informed choices

Table 2 - Possible impacts of 'clearer tools' changes

| | Benefits (incl avoided costs) | Costs | Unintended consequences (incl risk) |
|-----------|---|---|---|
| Consumers | <p>(PP) Benefits derived from PP not becoming inaccurate or misleading should different and innovative tariffs come into market</p> <p>(CTM) Benefits derived from the tool are maintained.</p> <p>(TIL) Consumers still able to access all the key information about their tariff, designed to make comparison and switching easier.</p> <p>Improved customer understanding, avoided confusion without undermining competition, and improved consumer engagement to reap the benefits of switching</p> | No costs associated with the proposed changes | <p>Medium-term risks</p> <p>A lack of standardised methodology for the information tools might reduce consumer understanding and engagement</p> <p><i>How we mitigate this risk:</i> PCWs will play key role to ensure cross-market consistency when appropriate and based on results of monitoring, we will issue guidance to suppliers on tools to avoid confusion and/or customers</p> |
| Suppliers | <p>(PP) Freedom and opportunity to innovate and deliver better information to consumers.</p> <p>(TCR) Savings resulting from no longer being required to provide the TCR on customer communications (including TIL)</p> <p>Decreased cost of assessing derogations</p> | <p>One-off</p> <p>Costs associated with developing own methodology for estimated annual costs, updating this across systems and customer communications, marketing, and co-ordination with PCWs</p> <p>Costs of training staff, legal advice, etc</p> <p>Ongoing</p> <p>Ongoing costs of keeping information tools methodologies up to date</p> <p>Costs of developing and maintaining methodologies that are internally consistent, transparent and accurate</p> | |
| Ofgem | Decreased costs of assessing derogation requests | Ongoing Potential additional costs if monitoring activities increase, although we expect changing the scope of the activities rather than the scale | |
| TPEs/PCWs | More scope for using innovative ways to attract consumers and sell products | Ongoing Costs should be included in costs set out in table 1 above | |

Kind regards,

Ben Wilson | Product Manager



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