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Ecotricity Reference number: 614
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Ecotricity Response to Confidence Code Review 2016

Dear Sirs,

Ecotricity is an independent renewable energy generator and supplier, with around 180,000 gas and electricity customers. At Ecotricity, we have three principal attractions: the greenest energy with the emphasis on investing in new sources of renewable energy; the best customer service as demonstrated by the lowest level of complaints in the industry; and an ethical pricing policy that means every customer gets our best price, regardless of payment method. It is this focus on ethics and principles of excellent customer service that's key to our growth.

We welcome the opportunity to comment on the proposed changes to the confidence code, and offer our views below:

1. Do you agree that Ofgem should implement the proposed removal of some of the changes made to strengthen the WoM requirement in the 2015 Code review?

In general, no. The WoM requirement allows customers to search for – and access – the most appropriate tariffs to suit their needs. Any weakening of the requirement would lessen the reliability and credibility of Price Comparison Websites (PCWs). It would also create doubt as to whether PCWs are showing consumers the best - or most appropriate - tariffs available, or just those offered by suppliers that have paid a higher level of commission.

If the WoM requirement is to be weakened, it is essential that Ofgem ensure customers are easily able to navigate PCWs, as well as understand and accurately compare offers presented to them through individual PCWs. Ofgem could ensure this by extending the proposed comparability principles to PCWs through the Confidence Code.

2. Do you agree with the proposed policy changes around the partial default view?

No. Customers should be allowed to select their default view without interference from Price Comparison Websites. By introducing a partial default view, Ofgem run the risk of consumers only being able to access deals or tariffs of the supplier prepared to offer the highest commission fees.

This would arguably change the role of PCWs. Were a partial view displayed, it could be questioned whether PCWs could continue to be considered comparison websites; instead operating as marketing or advertising tools.

Careful monitoring will be required from the regulator to ensure that customers have access to a representative view of the market.

We do agree, however, that in the absence of the 4-tariff rule, it is important to avoid the potential gaming of suppliers in top 10s shown on results pages. Despite this, we feel that this could be avoided without forcing customers to see a partial view of the market as a default.

3. Do you agree with the proposed policy changes around the WoM filter choice?

No. We do not see a consumer benefit in allowing filter choices to be pre-selected. This increases the risk for customer choice to be influenced by PCWs or suppliers, rather than allowing consumers to make the most informed and suitable choice for their needs.

There seems no need to alter the current method of allowing customers to select their own filters when using a comparison site.

4. Do you agree with the proposed policy changes around the WoM filter wording/testing?

Yes, in the absence of a default WoM view, we do support that “prominent, clear and intelligible” messaging should be relayed to customers. It is vital that consumers are aware of any changes, and are not misled when comparing suppliers.

5. Do you agree that sites should test the prominence, clarity and intelligibility of their messaging with consumers and that Ofgem should monitor this?

Yes. To ensure consistency in the treatment of customers, Ofgem should hold PCWs to the same high standards set for suppliers’ communications with customers under the Standards of Conduct (SoC). We would support the SoC being applied directly to PCWs and used by Ofgem to assess the prominence, clarity and intelligibility of PCW’s messaging under the Confidence Code.

6. With reference to Table 3, do you agree that the proposed Code wording reflects our proposals?

Although we disagree with a number of the proposals, we agree that the suggested code wording is reflective of the potential changes.

7. Do you agree with the proposed policy changes around the removal of the Personal Projection?

AND

8. Do you agree with the proposed policy changes about including the pre-2015 code content on factors an accredited price comparison website should and should not include when deriving a consumer's estimated annual costs?

It is essential that PCWs maintain consistency when deriving the estimated annual costs that feed into any tariff comparison tool used by consumers. Whilst removing the Personal Projection will provide PCWs with greater flexibility as to how they display annual costs, Ofgem will need to be aware that a variety of methodologies could be used.

In the absence of prescription, careful monitoring and regulation will be required to ensure that consumers are able to fairly and accurately compare tariffs across the market; including using multiple PCWs.

9. With reference to Table 4, do you agree that the proposed Code wording reflects our proposals?

Yes, the wording reflects the proposals.

10. Do you agree that no changes are required to the TIL references within the Code?

Yes. The proposed changes to the TIL as part of the RMR review would render changes to the code unnecessary.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact James Jackson on 01453 840618 or james.jackson@ecotricity.co.uk.

Yours sincerely,



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