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Dear Ms Ainslie

Confidence Code Review 2016

As one of the very earliest signatories to the Code we are firstly pleased to see that it continues to be developed to assist in providing a robust framework under which parties accredited to the Code can work to.

Whilst in maintaining and amending a framework to which parties can operate within we need to continue to be mindful of the *"Mrs Smith"*. We should remember that the *"Mrs Smith"* will neither be armed with the knowledge of the how the energy comparison and switching markets operate nor have any understanding of how any proposed amendments will impact on its operation.

What *"Mrs Smith"* will believe is that a market exists that she can fully trust in.

Energylinx therefore responds to this latest Confidence Code Review 2016 on the basis of helping create an environment that *"Mrs Smith"* does not need to understand but can rely on parties to be doing the right thing for her.

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

Energylinx believes that the current WoM requirement is unsustainable for two reasons and must change. Firstly we have reviewed all currently accredited PCWs and were surprised to see that very few actually have a WoM view today, this is not however driven by the ability to switch but would appear to directly link to the difficulty some PCWs may have in attempting to gain the actual pricing information required to present a WoM view, coupled with the technical capabilities of a number of PCWs. And, secondly, the current WoM view has unfortunately meant that some new challenger supplier brands have entered the market and either by planning or accidentally taken advantage of what is then free marketing.

The challenge for Ofgem is to create a framework which will allow *"Mrs Smith"* to be sure that she will, with her limited knowledge actually be able to get the best deal for her home.

Our view is that this comes down to what should become mandatory signposting for any PCW not presenting a WoM view. We believe that as a minimum these mandatory signposts should include:

- A clear signpost on the results page where a non WoM view is presented to state not just that the view being presented is not WoM but to specifically exclude the following suppliers: (listed then by name)
- Each PCW carries a mandatory table in the same prescribed format that includes a table with each suppliers name and URL where they are not included. This table should be no less prominent than any link to the actual price comparison links themselves.

Additionally and equally importantly is that even when a PCW decides not to follow a WoM view then they must include details of all suppliers and all tariffs, including collective switch tariffs and exclusive tariffs.

Failure to ensure that this is a mandatory requirement will completely destroy the comparison and switching market as it would mean that a “Mrs Smith” carrying out a switch to say an exclusive tariff would only ever then be able to compare that tariff when using the same platform as the exclusive deal was first offered.

This means two things that Ofgem MUST enforce:

- PCWs must list all suppliers and all tariffs within the selection of what a customer’s existing energy tariffs are.
- Energy Suppliers must provide information on ALL tariffs immediately a tariff is available in the market, regardless of how/where that tariff is available.

Question 2: With reference to Table 2, do you agree with our rationale, and proposed policy changes around the partial default view?

Yes – as long as there is a prominent message that makes it transparent and clear to the customer that they are only partially viewing what is available to them.

With upwards of 200 plus tariff permutations being available to the consumer it is important that the partial view is itself not a partial view of a partial view.

If not policed strictly it could leave room for a supplier to incentivise a PCW to only show their tariffs.

Question 3: With reference to Table 2, do you agree with our rationale, and proposed policy changes around the WoM filter choice?

Yes. Presently there is a culture where challenger suppliers benefit from the free marketing they receive from featuring on a PCW, without a commercial arrangement that benefits the PCW. A filter between WoM and a partial market view is essential as is a filter that allows “Mrs Smith” to search results based on her priorities, one of which may be tariffs she can switch to at the time of the comparison, with her trusted PCW.

Question 4: With reference to Table 2, do you agree with our rationale, and proposed policy changes around the WoM filter wording/testing?

Yes – clear wording is essential to ensure “Mrs Smith” is not mislead. The message should be tested on consumers, before its use can be justified.

Question 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. It is important that “Mrs Smith” is presented with a clear and prominent message. The effectiveness of this message should be refined and updated as necessary, based on measured testing carried out by PCWs. Ofgem should monitor this and if found that the PCW is using a message that isn’t clear then Ofgem should request the wording to be updated or removed.

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

In terms of 2(A) we strongly disagree with this proposal in its entirety. This would be thin edge of the wedge in completely destroying the energy price comparison market. In effect, if adopted, this would create a situation where perhaps one PCW had a WoM view that contained genuinely the entire WoM whereas the next PCW could offer a different WoM view. This would at destroy the market in two ways:

- Trust and confusions, “Mrs Smith” would not know what PCW to use/trust and would undoubtedly end of using/trusting none
- And worse, let’s say “Mrs Smith” switched to one of these exclusive deals on say PCW x and years later decided to look at pricing again it could mean that the only place to compare new tariffs with the exclusive deal she had switched to was PCW x and for whatever reason she perhaps had forgotten who PCW x was or had decided not to use them again she would find it impossible to compare and switch again. Thereby alienating “Mrs Smith” from the market and trapping her on an exclusive tariff that may not be in her best interests.

The other Code requirement amendment proposals are accepted.

Question 7: Do you agree with our rationale, and proposed policy changes around the removal of Personal Projection?

On balance yes. The current method while not accepted or well understood by consumers did at least provide a level playing field to compare tariffs and is easily tested by regulators. That said it does make it difficult for innovative products to be established and definitely adds to confusion at customer level.

The key would be in the transparency in the messaging of what was being displayed.

Question 8: Do you agree with our rationale, and 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?

We are minded to not support the rationale here, not because the thinking is incorrect but because we struggle to understand why Ofgem cannot provide an exact level specification for PCWs and energy suppliers alike. We would much prefer to see a one size fits all approach to both the PCW and energy supplier. Until then we feel we are unable to provide an opinion on the question in isolation. Our recommendation would be to make no decision at this time and open up a wider consultation.

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

As question 8

Question 10: Do you agree with our assessment that no changes are required to the TIL references within the Code?

We agree with your assessment that the references to the Code are indeed immune from the changes to the TIL. Although not specifically requested within this consultation we do not believe the current format of the TIL is wholly fit for purpose and results in both suppliers and PCWs alike being required to "shoe-horn" products into a format that does neither reflect the tariff structure available today nor the ability to be wholly transparent. Energylinx would like to see some consultation on the future format of the TIL itself.

Question 11: Do you agree that these initiatives are out of scope for this review and that we should monitor their progress to be aware of potential impacts in the future of these initiatives?

Yes in respect that we require amendments to the Confidence Code at this stage rather than await the outcome of all the initiatives noted.

But we feel that Ofgem should be pushing for a what we would call an "de minimis" comparison and switching service.

The current idea of asking the consumer what supplier they are with, how many kWh of energy do they use is completely outdated given the information flows available to accredited PCWs and energy suppliers alike.

The questions that should be asked of the consumer at the time they wish a comparison are:

- What is your postcode and from that please select your address
- Do we have your permission to access industry held data on your behalf?

With modern security and with the available data flows an accurate energy price comparison can be created for any UK consumer covering either WoM or a partial view.

Why then is the industry left with having to ask "*Mrs Smith*" questions that she may have no knowledge or interest in. The technology exists that we have this data effectively at our fingertips yet we continue

Question 12 Do you believe there are any other initiatives we should be keeping abreast of to ensure a joined-up approach to our policy development work?

We would encourage Ofgem to look ahead of its current processes and look to consider “Mrs Smith” as the basis of all development of the Code.


The technological world has changed dramatically since the Code was first introduced over a decade ago yet the basic structure of what is carried out to provide the consumer with a comparison has not changed or improved at the same speed as the rest of technology. Our concern is that the Code which we support wholeheartedly is being enhanced – which is positive but is being constrained by older processes and requirements.

Not with-standing the technological advancements we have seen almost a mini explosion in the number of challenger type energy brands in the market today and this means that where a decade ago we may have seen circa 50 results in a comparison table we can easily today see close to 300.

Our view is that in 2016 the key elements of the Code should be concentrated on:

- De minimus inputs from consumers
- 100% transparency
- Exceptionally clear message
- Standardised concepts across PCWs and energy suppliers alike

Yours faithfully



Ken Geddes
Energylinx