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Caroline Ainslie
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20th September 2016

Dear Ms Ainslie

Which? response to Ofgem consultation on Confidence Code Review 2016

Which? welcomes the remedies related to the Price Comparison Website (PCW) market. PCWs play an important role for consumers in making decisions about their choice of tariff and energy supplier, as recognised by the Competition and Markets Authority's (CMA) inquiry into the energy market.

Removing the 'Whole of Market' requirement for PCWs and allowing partial view filters to be applied should remove artificial barriers to competition. This should help to create a more competitive PCW market in energy. However, once adopted, PCWs should be obliged to provide clear messaging about the range of offers available, and steps should be taken to ensure that consumers are that PCWs are not necessarily providing a 'Whole of Market' view. PCWs will need to be trusted and transparent about the deals they offer as well as the commission that they receive. Ofgem will need to ensure there is evidence testing of people's willingness to use multiple PCWs to find the best deals.

Which? supports the proposed changes to Personal Projections to ensure that switchers get a more accurate saving projection. We have had concerns for some time about the existing calculation method, which may inadvertently cause higher saving projections than may be realised. Further to this, Which? recognises that there are issues with introductory sign-up offers and other one-off offers / discounts when deriving a customer's annual costs. The Tariff Information Label also provides a useful reference for consumers

The initiative to allow PCWs access to ECOES and DES databases is welcome, as this should help reduce erroneous switches and switches that fail due to address issues. However, there is a need for careful oversight of any data which is used. Any misuse of consumer data would undermine consumer confidence in PCWs and the switching process, acting directly counter to the intended effect of the remedy.

Which? would welcome further consultation on the accreditation of white label sites to the Confidence Code. It is important that consumers using white label sites can be assured of a certain standard of service.



Finally, Ofgem should keep these remedies under close scrutiny to ensure action is taken if the intended outcomes are not realised. If the PCW market – rather than the energy market - proves not to be working effectively, then Ofgem should consider how this should be addressed with the CMA and other relevant bodies. Which? has previously proposed that the CMA should commit to a review of the energy market after a set period of time to test and measure whether there is evidence that the remedies are achieving the proposed aims, that consumer engagement has improved, and the extent to which consumers are continuing to collectively overpay for their energy due to a lack of effective competition.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pete Moorey', written in a cursive style.

Pete Moorey
Head of Campaigns