

To: Andrew Thomson

Via: FutureRetailRegulation@ofgem.gov.uk

24th July 2017

Statutory Consultation: Standards of Conduct in the retail energy market

Background to Octopus Energy

Octopus Energy is a rapidly growing challenger energy supplier that started supplying gas and electricity to domestic homes and businesses in Great Britain. Our largest investor is the Octopus Investments Group, who over the last decade have become the third largest investor into UK renewable generation in the UK and the largest in solar generation.

We believe:

- That the consumer should be given clearer communication about pricing over a longer period: so that they can choose a tariff that is good for them over the long term, not just the fixed term.
- That long-term good pricing and service can be enabled by some of the same approaches as the eCommerce sector – in the same way that Amazon and budget airlines have done in other sectors.
- That the barriers to switching due to the slow and complex nature of the switch process should be systematically eliminated to make switching quicker and easier (as online shopping and services have provided in other sectors)
- That customer service should be measured by how happy customers are with the service they receive, not a set of simplistic metrics which often fail to recognise what really matters to consumers

Response to the Statutory Consultation

Overall, we are not highlighting any issues with the consultation, and welcome the attention to details in this Statutory Consultation from the previous consultation on the topic.

We welcome the approach of managing the sector via Principles Based Regulation and see the Standards of Conduct as central to this.

In terms of implementation, we would argue that the Standards of Conduct should equally apply to the way suppliers behave with regard to a portfolio of customers as much as any individual customer. In particular, the way suppliers set and operate their tariff strategy should reflect the Standards. We would argue that the current 'tease and squeeze' strategy of limited edition, multiple very low acquisition tariffs, followed by a massive increase in rates to the deemed SVT does not reflect the spirit of the standards laid out here.

Yours Sincerely,

Jenny Ashmore
Octopus Energy