



Barry Coughlan,  
Consumers and Competition,  
Ofgem,  
9 Millbank,  
London,  
SW1P 3GE

23<sup>rd</sup> August 2016

Dear Barry,

### **Consultation on default tariffs for domestic consumers at the end of fixed-term contracts**

Thank you for the invitation to respond to the above consultation. Bristol Energy is an independent supplier of electricity and gas with a business model that has a regional focus on the South West of England, although we supply customers across Great Britain, and a mission to fight fuel poverty.

Bristol Energy welcomes Ofgem's decision to review the regulations concerning the default situation at the end of a fixed term tariff. When our first fixed term customers came up for renewal late last year we gave serious consideration to making the "Do nothing" option to be to roll customers onto our best fixed rate deal. However, the licence regulations were quite clear and instead we opted for a process of sending several reminders to customers to encourage them to actively switch to the best deal so we remained regulatory compliant, although we continued to keep this approach under review given the additional costs involved.

When we entered the market in 2015 we had already made the decision not to apply exit fees to any of our tariffs believing it was a market practice that ran counter to our principles of being a customer centric organisation. If we failed to deliver fair tariffs and standard of care our customers expected, then they would always be free to leave without penalty.

However, we do not agree with the proposal using the term "relevant fixed term default tariff". Our aim is to ensure customers most likely choice of tariff at their end of fixed term deal is the "Do Nothing" option. This removes from them the hassle of having to contact us to confirm their choice. If Ofgem takes the approach concerned, then many of our customers who have actively decided that the "Do nothing" option is their choice will be deemed to have defaulted which would be wrong. It will create a false impression that customers are disengaging from the market, rather than suppliers offering their customers a better way of staying on the best deal for them.

Ofgem's current proposed approach seems to suggest that suppliers aspiring to retain customers with well-priced tariffs and excellent customer service are somehow abusing customer apathy which, whilst may be the case for larger suppliers and their SVT customers is not the case for us, or many of our fellow independent suppliers. Our customers are not apathetic, but they would welcome any initiative that reduces the hassle of renewing whilst ensuring they remain a customer on the best tariff we can offer them.

We therefore strongly object to the drafting of the licence condition and the assumption that customers choosing the "Do nothing" option are apathetic or disengaged in their relationship with us. Ofgem must stop assuming the bad practices of the incumbent suppliers is endemic across the industry as a whole.

In particular, we believe that placing any customer to whom the "Do nothing" option has been the best offer for

#### **Bristol Energy & Technology Services (Supply) Limited**

1 Temple Quay, Temple Back East, Bristol BS1 6DZ [www.bristol-energy.co.uk](http://www.bristol-energy.co.uk)  
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3 years running on the disengaged customer database is unhelpful at best and counter to Ofgem's requirements on us under the standard of conduct..

We urge Ofgem not to remake the mistakes of RMR and deal with a problem of disengaged customers of the big6 by prescriptive regulation impacting the ability of independent suppliers to best serve their customers.

I hope you find this response useful. If you have any queries or wish to discuss further, please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink that reads "Chris Welby".

Chris Welby  
Head of Regulation

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