



PURE PLANET

Pure Planet reply to Delivering Faster and More Reliable Switching: proposed new switching arrangements

3 November 2017

Thank you for allowing us the opportunity to respond to your recommendations on faster switching.

As a new entrant to the market, what we currently lack in extensive customer data as a new business, we believe we make up for in consumer expertise (having many years experience in the mobile telecommunications market and other sectors).

One of our “reasons for being” is to provide a friction-free service while making it easy for consumers to do good for the environment. So as a principle “faster and more reliable switching” has our full support and we are very keen to be fully involved in helping ensure consumers can rely on this service as soon as possible.

Pure Planet is very keen to support the concept of faster switching. We do not feel the targets outlined in your recommendation are ambitious enough, either in terms of the 5 days switching time or the elapsed time to deliver. Even after delivering this plan, the energy industry will lag well behind where other industries, such as mobile telephony, are today.

We have outlined below some changes we would like to see adopted which can make a material and positive impact on consumer switching. There is further detail below.

The key themes of the changes we suggest are:

- Working days: Pure Planet believes consumers no longer think about working days, so faster switching should be available seven day a week.
- Speed of delivery: We should drive to offer this service more rapidly - the timeframe for delivery is too protracted.
- Phases of delivery: Delivery should be split into phases, with the first phase being fixing and updating the central database. Data quality is a major cause of errors in the switching process today, so a resolution to this is of fundamental importance.

Finally, we wanted to share some insights from our inaugural People & Power consumer report which Pure Planet conducted last month, and is based on a poll of 2,000 members of the public. On switching, consumers told us:

- 50% of Big Six’s customers are planning to switch within the next six months. 29% of those surveyed who are currently with British Gas say they plan to leave within the next six months.
- ‘Clean energy’ is among top three reasons people are switching for, along with ‘price’ and ‘better customer service’.
- A quarter of UK households are on the highest possible tariffs – yet nearly 4 in 10 people won’t switch because it is ‘too complicated’ or they ‘can’t be bothered’.
- Over 1 in 10 people have not read their energy bills in the last year.

We’re happy to follow up on any of our ideas, comments and suggestions at any time.

Yours sincerely

Ian Parry
Pure Planet



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Detailed response to questions.

Question	Pure Planet response
Do you agree that our assessment of industry and public sector costs, including our approach to managing uncertainty, provides a sound basis for making a decision on a preferred reform package?	We believe that this transition should be accomplished without adding further costs to GB energy consumers. The upgrade to the switching process should be achieved within existing budgets and any shortfall should be covered through central government support and future cost savings.
Do you agree that we have selected the appropriate policy option around objections, cooling off, meter agent appointment and MCP ID for each reform package?	If Faster switching is introduced we need to allow for a cooling off period. A new industry process should be established to seamlessly allow losing and gaining supplier to retain/gain that customer and which does not rely on the existing Erroneous Transfer process but should be established specifically to address the Cooling Off process.
Do you agree that our assessment of the direct benefits of the reforms, including the various assumptions that we have adopted, provides a sound basis for making a decision on a preferred reform package?	We have decided not to comment on this question.
Do you agree that our illustrative analysis of the indirect benefits provides a reasonable assessment of the potential scale of the savings that could be made by consumers through increased engagement in the market?	We have decided not to comment on this question.
Do you agree with our assessment of the wider benefits of our reform proposals?	We have decided not to comment on this question.
Do you agree that our assessment of the net impacts for consumers provides a sound basis for making a	We have decided not to comment on this question.

decision on a preferred reform package?	
Do you agree with our assessment that RP2a provides the best value option to reform the switching arrangements for consumers, and with the supporting analysis presented in this consultation and the accompanying IA? If not, please provide evidence.	At Pure Planet we want to allow customers to gain access to savings as quickly and easily as possible. 24hr switching 7 days a week would, we think, offer a significant improvement.
Do you agree that CSS should include an annulment feature which losing suppliers can use to prevent erroneous switches? Please provide evidence alongside your response. If you are a supplier, please support your answer with an estimate of the number of occasions over the past 12 months when you might have used such a feature had it been available.	Anything that helps to reduce erroneous transfers is good news for customers and the industry. As a very new energy company our data would not be mature enough to be included. However, we would be against giving losing suppliers any influence over this process. There should be a simple, consumer friendly process to allow erroneous transfers to be undone.
Do you agree that CSS should always invite the losing supplier to raise an objection, even where the Change of Occupancy (CoO) indicator had been set by the gaining supplier? If you are a supplier, please support your answer with evidence of the number of times in the past 12 months that you have raised an objection where the Change of Tenancy (CoT) flag had been set.	No, we think objections process is not the right way to manage customers in debt who wish to leave a supplier. This is made worse if it is a new customer in a home that has accrued debt from the previous customer.
Do you agree that use of the annulment and CoO features should be backed by a strong performance assurance regime? Please comment on ways in which such a regime could be made most effective, and backup your response with evidence.	We have not seen enough data to determine this yet. However, we do believe that any process should support an easy and clean transfer from one supplier to the next and that suppliers should all take responsibility for making sure this happens. Penalties may be required for those companies that are misusing or badly managing the switching process.
Do you agree with our proposal to require DCC to competitively procure the communications network capability required to deliver the new switching arrangements?	We are concerned about DCC's ability to deliver on time and on budget given its previous track record. The communications network considered must come with SLA criteria which are fit for purpose, rather than the current criteria UK Link has with infrastructure partner, Vodafone, which is too slow. The communications network should be as future-proof as possible.
Do you agree with our proposal to have a three-month transition window (aiming to protect reliability) during which time suppliers have to meet additional requirements if switching in less than five working days? Please support your answer with evidence.	We agree with the concept of a transition window but believe that three months is too long. One month is sufficient.
Do you agree with our proposal to change the requirement on speed of switching to require switches to be completed within five working days of the contract being entered into (subject to appropriate exceptions)? Please support your answer with evidence.	We agree with the proposal to require switches to be completed in less than 4 days. We do not agree that this should be measured in working days; we are a consumer marketplace and, as such, should meet our customer's expectation of operating 7 days per week. The 'working days' concept is wholly inappropriate for the consumer market.
Do you agree with the proposed initial scope and ownership of the REC to be developed as part of the Switching Programme?	As the consultation document states, the establishing of a new REC provides a clear opportunity to "set out all the rights and responsibilities of energy suppliers and other market participants" and we believe it would be a waste not to take that chance to overhaul the current situation, which has evolved rather than having

	<p>been designed. We believe this opportunity should be seized, with Ofgem empowered to make a thorough review of energy and other regulated market operations across the world to inform its establishing of the new code. It provides Ofgem and the associated parties with the chance to build a framework for a truly 21st century energy retail environment, with sufficient flexibility to allow for the innovative and challenging developments which clearly lie ahead for the industry.</p>
<p>Do you agree with our proposal to modify the DCC's licence, in order to extend its obligation to include the management and support of the DBT and initial live operation of the CSS?</p>	<p>We are concerned about the DCC's ability to deliver on time and on budget given its previous track record. We are also firmly of the view that there needs to be significant streamlining of the number of administrative and oversight bodies involved in the energy industry. However, given where we are today as a sector, we would reservedly support the use of the DCC on the basis that it should adhere to strict and challenging time-frames.</p>
<p>Do you agree that there should be regulatory underpinning for the transitional requirements and that this should be contained in the REC?</p>	<p>If, by regulatory underpinning, it is meant that market participants will have an obligation to transition under certain timeframes and face regulatory sanctions for not doing so, then yes. These could be contained within the REC and will then fall away after the transition period.</p>
<p>Do you agree that we should pursue an Ofgem-led SCR process in accordance with a revised SCR scope?</p>	<p>We support this action and would like to fully engage in the process.</p>
<p>Do you have any comments on the indicative timetable for the development of the new governance framework?</p>	<p>We feel the timetable is not ambitious enough. This project should be completed in a shorter timeframe (we note Brexit is scheduled to take place in two years). The timetable should be delivered in phases: the first phase being the creation and deployment of a centralised database; before the the second, the introduction of fast switching.</p>