

Rachel Clark
Switching Programme
Ofgem
9 Millbank
London
SW1P 3GE

3rd November 2017

Dear Ms Clark,

Delivering Faster and More Reliable Switching: proposed new switching arrangements

On the whole, Verastar Limited (“Verastar”) agrees with delivering a faster and more reliable switching process as Ofgem continues to encourage greater consumer engagement within the energy industry.

Faster switching will not have the same impact in the non domestic market as suppliers will continue to object to transfers for contractual reasons. We question whether the proposed new switching arrangements is a precursor to Ofgem introducing non domestic cancellation procedures parallel to domestic consumer obligations to benefit the wider market.

The degree of process and/or system change will vary from supplier to supplier dependent on resource. Independent suppliers may struggle to deliver on a significant increase of administration in such a time-intensive process resulting in delays in provisioning contracts, a delay in transfers and a loss in market share as they struggle to object to transfer requests within the designated objection window. Ofgem should consider smaller suppliers’ resourcing capabilities and extend the proposed transitional period of 3 months to 6-12 months.

The Centralised Switching Service (CSS) should always invite the losing supplier to raise an objection including when Change of Occupancy (CoO) indicator has been set. CoO issues can be lengthy and complex so the objection/annulment functionality would be a useful backstop to protect the consumer. Suppliers who are found to have misused these features should provide the customer with a compensation payment of £30.00. This is similar to the Guaranteed Standards in which Suppliers are obligated to provide compensation for failure to keep appointments. It incentivises suppliers to monitor their own compliance and performance can be published online.

Our main focus is on the reliability element of the proposed switching arrangements as there will be no supplier or consumer benefit in switching consumers more quickly if the transfer goes wrong. We strongly agree with the concept of an accurate CSS as the majority of transfer delays are as a result of poor industry data. For example, we find that MPxNs holding a different meter serial number on ECOES / XOSERVE compared to what information the customer provides as a result of the meter exchange not being updated. Energisation status is also an issue and we come across supplies that may state they are de-energised despite the customer having power within their property.

There are ongoing issues with missing data flows and have concerns on the implementation of a system that has the ability to register and retrieve flows within two working days. This is most evident within the power industry, as we experience delays in receiving Meter Technical Details (MTDs), Estimated Annual Consumption (EAC) and the Change of Supplier (CoS) reads , which all hinder our ability to bill a customer. We would propose that the CSS has an automated solution for receiving this information after the objection window closes so that suppliers don't have a reliance on Meter Operators and Data Collectors. This would lead to more accurate and prompt billing.

We hope our comments and suggestions are of use and if you have any queries please do not hesitate to contact me on [redacted].

Yours Sincerely,

Laura-Jayne Owen
Compliance Officer