



Xander Fare,
Consumers and Competition,
Ofgem,
10 South Colonnade,
Canary Wharf,
London,
E14 4PU

17th May 2018

Dear Xander,

Consultation on CMA's Whole of Market recommendation

Thank you for the invitation to respond to the above working paper. 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. We have a mission to fight fuel poverty and be a force for social good.

Executive Summary

Bristol Energy is deeply disappointed that Ofgem has reached a minded to decision to remove the Whole of Market Obligation from the Confidence Code. One of the strengths of the code was its Whole of Market obligation, and a key reason why several suppliers including ourselves have committed to only working with PCWs that were signatories to the code. If Ofgem implements its minded to decision then to us the benefit of the Confidence Code to us and our customers is diminished and we will need to review our self-imposed limitation to only use Confidence Code signatories as PCWs we work with.

PCWs have always had the option to not show Whole of Market by not being a signatory to the code. Green Electricity market place has run successfully outside the code for many years, but has been clear that it only shows renewable tariffs. In our view if PCWs do not wish to show Whole of Market, they should step outside the code.

More concerning to us is that Ofgem in justifying its position, is citing that it will improve the ability of suppliers and PCWs to do exclusive deals. This implies that Ofgem favours the best deals being offered to the internet savvy, despite the fact that vulnerable customers, such as the elderly and the fuel poor without internet access are disenfranchised from these exclusive offers. As a supplier with a mission to fight fuel poverty we are troubled by this and believe Ofgem should be deterring such deals not promoting them. To this end we believe Ofgem should test its minded-to position against its own vulnerable customer strategy before reaching any decision.

It is our conclusion, that the removal of the Whole of Market obligation is only beneficial to the larger PCWs and detrimental to competition. It comes at the expense of customers who would have to visit multiple web sites to find the best deal and vulnerable customers who will be denied access to the best exclusive deals. It will also be disadvantageous to smaller suppliers who will probably face increases in commission costs from the larger PCWs, and to smaller PCWs as the larger suppliers focus on special deals with the main PCWs at the expense of smaller sites.

We have answered your specific questions below, expanding our response as necessary.

Q1. Do you agree that our minded-to option is the best means of achieving the benefits and

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mitigating the risks of removing the WoM requirements?

We do not agree with the minded-to option as we believe it will further disenfranchise vulnerable customers from the best deals from suppliers in the market by encouraging PCWs and suppliers to do the best deals as exclusive deals between them which non-internet users will be unable to access. Even Internet savvy customers could lose out unless they check every single confidence code accredited site to find the best exclusive deal. This is now further complicated by the fact that each PCW can calculate savings comparisons in different ways, meaning cross PCW-comparisons may mislead a customer into selecting the wrong deal.

We believe there are some missing bits of information from the trials recently conducted. Whilst we accept that the number of switches undertaken by PCWs increased, the research does not state whether customers actually switched to the best available deal, or in fact picked a worse deal, but the best that was offered. We would also be interested to see any qualitative research as to what those that didn't switch on the PCW subsequently did elsewhere (e.g. Went to another PCW, or direct to a supplier). In our own research data, nearly a third of customers who signed up direct quoted PCWs in the "Where did you hear about us" box. We would also be interested in knowing how many customers visiting the trial site clicked through to the Citizen's advice site, and whether they returned to switch or decided against it. Without this information it seems as if Ofgem are being selective in picking out the elements of the trial that support their position and ignoring potentially detrimental aspects.

On balance, we believe that whilst larger PCWs will see benefits from removing the WoM obligation, the customer will lose out by being required to visit multiple sites, and get conflicting information, or will visit a single site and run the risk of selecting a sub-optimal deal. It should also be noted that if more customers opt to switch via a PCW (to gain access to special deals), then the increase in commission costs of suppliers will be spread across all customers in the form of higher tariff rates, not just the customers who take-up the exclusive deals.

As a supplier, we do not find the proposals will incentivise us to work with PCWs any closer, but do feel it will tip the balance of power towards the PCWs who can now decide to ignore suppliers like ourselves who focus on our mission (to fight fuel poverty), and quality of care rather than aggressive discounting to win customers, as we are unlikely to generate significant sign-ups.

Q2. Do you agree that our proposed drafting of the Code is the best means of achieving the benefits and mitigating the risks of removing the WoM requirement?

One element Ofgem has forgotten to consider is that currently, because of the WoM requirement, suppliers are incentivised to provide PCWs with information on tariff changes in a timely manner. If the WoM obligation is removed, then suppliers will lose this incentive. This means PCWs could find it more onerous to meet Requirement seven (Q). We assume it is up to the PCWs how they resolve this, either by harvesting tariffs from supplier web sites on a daily basis (or Citizen's advice comparison tool), or some form of financial payment to suppliers (or Citizen's Advice) to provide details in a timely manner. Unless, of course Ofgem believes that in removing WoM also applies to Requirement seven (Q) and the customers current tariff needs to be shown only for suppliers it has a relationship with.

We would welcome clarity around Requirement 7(Q), and Ofgem may wish to seek clarity from PCWs on how they will meet this requirement once WoM is removed.

We do not believe the wording of Requirement two (A)(ii) or Requirement five (H) (iii) are strong enough and that some sites will do just enough to comply and no more. We therefore think the code should mandate wording such as "Not all suppliers/tariffs are displayed – To see all suppliers and tariffs please go to the { Citizen's Advice Comparison tool}" with the citizen's advice comparison tool hyperlinked.



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

Kind regards,

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

Chris Welby
Head of Regulation