



Ofgem
9 Millbank
London
SW1P 3GE

Email to: CDconsultations@ofgem.gov.uk

30 May 2018

Consultation on the implementation of the CMA's Whole of Market recommendation

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, storage, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

In our previous response to both the 2016 and 2017 consultation, we expressed support of the CMA remedy to remove the Whole of Market (WoM) requirement in the Confidence Code. This remains our preference.

However, another key change that Ofgem should make is to introduce direct licencing for price comparison websites (PCWs). In addition, the scope of the Confidence Code should be broadened to include a wider range of aggregators and sales channels. This could include other activities of third party intermediaries, such as mobile switching apps, telesales, and face-to-face selling. Ofgem should take action to ensure that customers are afforded appropriate protections regardless of the engagement channel that they chose.

In relation to the proposals, EDF Energy supports the removal of the WoM requirement, provided accredited PCWs display a link to the comparison tool operated by Citizens Advice. We agree that the amended drafting of the Code achieves the right balance of achieving the benefits and mitigating the risks of removing the WoM requirement.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Jennifer Rademeyer on 020 8935 2029, or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink that reads 'Paul Delamare'.

Paul Delamare
Head of Customers Policy and Regulation

EDF Energy
90 Whitfield Street
London
W1T 4EZ
Tel +44 (0) 20 3219 6911

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Registered in England and Wales.
Registered No. 2366852.
Registered office: 90 Whitfield Street
London W1T 4EZ

Attachment

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EDF Energy's response to your questions

Q1. Do you agree that our minded-to option is the best means of achieving the benefits and mitigating the risks of removing the WoM requirement?

EDF Energy agrees that Ofgem's minded-to option is the best means of achieving the benefits and mitigating the risks of removing the WoM requirement. Giving accredited PCWs the option of exclusively showing deals that consumers can switch to directly through their website, provided they display a link to the comparison tool operated by Citizens Advice. This will improve PCW offerings whilst ensuring consumers are adequately informed. We support the removal of testing obligations on accredited PCWs that choose to display a Wide Results page; retaining this requirement may cause a barrier due to the investment required to conduct consumer research.

As indicated by the CMA, and supported by recent trials conducted by Ofgem, removing the WoM requirement can increase the incentive for accredited PCWs to invest in their energy offering and increase competition. This will benefit the consumer through greater savings, website improvements and better service offerings.

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?

We agree with the amended drafting of the Confidence Code. However, we maintain our preference that Ofgem goes further and introduce direct licencing for PCWs. Ofgem should also broaden the scope of the Confidence Code to include a wider range of aggregators and sales channels. This should include other activities of third party intermediaries, such as mobile switching apps, telesales, and face-to-face selling. Ofgem should take action to ensure that customers are afforded appropriate protections regardless of the engagement channel that they chose.

EDF Energy
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