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Consumers and Competition
Ofgem
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Submitted via email to: CDconsultations@Ofgem.gov.uk

30 May 2018

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

Dear Xander,

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HMT.

The comments below represent a high-level industry view, and Energy UK's members may hold different views on particular issues. We would be happy to discuss any of the points made in further detail with Ofgem or any other interested party if this is considered to be beneficial.

Energy UK members are mostly supportive of Ofgem's minded-to option to remove the Whole of Market (WoM) requirement from the Confidence Code. We agree that this proposed change is likely to make the switching process easier for consumers and further support competition in the retail market.

It is our view that the requirement for price comparison websites (PCWs) to display a clear link to the Citizens Advice Comparison Tool, if they choose to not display a Wide Results page, is an appropriate method of ensuring that consumers are able to easily access a broad range of deals. We note the importance of effective compliance monitoring by Ofgem of accredited PCWs, if this change were implemented, in order to ensure transparency for consumers.

It is noted by Ofgem in its consultation that the proposed change risks an increase in the bargaining power of accredited PCWs, which may cause an increase in restrictions placed by PCWs on suppliers. Our view is that this change furthers the need for the introduction of direct regulation of PCWs by Ofgem. We would welcome Ofgem giving further consideration to doing so.

If you would like to discuss any of the points above in further detail, please contact me directly at colin.brooks@energy-uk.org.uk.

Your sincerely,

Colin Brooks