

OVO Energy 1 Rivergate Temple Quay Bristol BS1 6ED

policy@ovoenergy.com www.ovoenergy.com

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futureretailregulation@ofgem.gov.uk

By Email Only

Dear Katherine and Ruth,

OVO Energy is the largest independent energy supplier in Britain. Founded in 2009 by entrepreneur Stephen Fitzpatrick, OVO Energy redesigned the energy experience to be fair, effortless, green and simple for all customers. Today, OVO Energy is a progressive energy company that serves more than 890,000 retail energy customers, striving to deliver clean, affordable energy for everyone. Our core values encompass fair pricing, top customer service, clear and simple information, and innovative technology to make managing energy easier.

OVO Energy welcomes Ofgem's ambitious proposals on the Domestic Supplier Customer Communications Rulebook; we strongly agree that the current focus on prescription does not always result in fair customer outcomes. It is therefore the right time to review these rules to be flexible to the market as it evolves.

OVO Energy believes that the Standards of Conduct are the foundation of the licence conditions, and should be relied on to ensure fair customer outcomes. As such, we think that even more reliance could be placed on the Standards of Conduct to enable innovation, allowing suppliers to tailor communications for customers' characteristics and preferences, and only introduce narrow principles where it is absolutely necessary. The regulatory framework should start with the customer; in certain areas we are concerned that the proposed changes do not go far enough to allow suppliers to fully define what customers want.

That being said, OVO Energy would like to highlight some key areas for consideration which have been outlined below.

## **Ofgem's Proposed Direction for Key Prompt Points**

We think Ofgem's proposal of moving engagement prompts into a direction separate from the licence could lead to one sided decisions which could undermine a transparent regulatory change process. Furthermore, providing directions outside of the licence may inadvertently lead to increased non-compliance, as suppliers obligations would be spread across various sources. Therefore, we would suggest Ofgem retains all key prompt point requirements in the licence.

## **Statement of Renewal and Faster Switching**

OVO Energy supports Ofgem's proposals to retain prescription for the 'switching window' in the short to medium term. However, we think the requirement will need to be revisited once the Faster Switching Programme has been completed. We are concerned the prescription of 'the window starts when the Statement of Renewal Terms is sent, or 49 days before the end of a fixed-term contract, whichever is earlier' will hinder innovation and cease to be reflective of when a customer would benefit from Statement of Renewals information. Therefore, we would propose Ofgem revisits this particular regulatory timing requirement by 2021 and reviews whether 49 days is still the most optimal reference point.

## **Further Legislative Review**

OVO Energy welcomes Ofgem addressing our query on completing a legislative review of the 'EU Third Package and Gas / Electricity Directives' upon the withdrawal of the United Kingdom from the EU. We would be particularly supportive if Ofgem prioritised reviewing the QR code requirement on the Bill, which is becoming redundant as technology progresses. Whilst we agree that this information is very important, and suppliers should definitely make it available to customers, we do not think that the QR code method is the most effective method of delivering this information to customers.

If you had any further questions please do not hesitate to contact <a href="mailto:policy@ovoenergy.com">policy@ovoenergy.com</a>

Kind regards, The OVO Team

<sup>&</sup>lt;sup>1</sup> Statutory consultation: Domestic supplier-customer communications rulebook reforms, (page 58. 2018)