



Making a positive difference
for energy consumers

Consumer Groups, Energy
Suppliers, Government and other
interested parties

Our Ref: Energy Customer Database
Direct Dial: 020 7901 7400
Email: anna.rossington@ofgem.gov.uk

Date: 27 September 2019

Dear Stakeholders

Energy Customer Database

In April, we notified stakeholders that we were pausing our work on the Competition and Markets Authority (CMA) Energy Market Investigation (EMI) database remedy.¹ We stated that we wanted to use the opportunity to step back and review the programme, testing whether it was on the right track to deliver the best outcomes for disengaged consumers in the most appropriate way.

We have now completed the review, and we consider there may be more effective ways of enabling the necessary data to be shared; aligning with our open data and data mobility initiatives. As a result, we have decided not to build a database of disengaged consumers at this time.

Furthermore, the database remedy was one of a number of CMA remedies aimed at addressing the detriment incurred by disengaged consumers on poor value default tariffs. Following Government legislation, Ofgem implemented the default tariff cap at the start of this year. The cap provides protection to all customers on default tariffs and has removed around £1bn of consumer detriment.

We consider our focus should be on determining how best to ensure that the retail energy market works more effectively when the current price cap is lifted – as it must be no later than 2023. This includes developing measures to promote competition and enable innovation, while ensuring consumers remain engaged and protected in this more complex world.

¹ Energy Market Investigation: Final Report, 24 June 2016
<https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Our work on the database remedy has been instrumental in the development and testing of a number of consumer engagement interventions – including the ground breaking opt-in Collective Switch. Our latest trial saw switching rates increase by 25 percentage points. The details of our trials are set out in our *Insights from Ofgem’s consumer engagement trials: What works in increasing engagement in energy tariff choices?* paper that is also published today.²

As the trials paper sets out, these trials not only resulted in over £21.3 million savings for consumers but also formed a programme of work that provided world class evidence and understanding of consumers.

We will build on the published paper by hosting a number of stakeholder events to discuss what we’ve learnt from our trials to date, how this will apply to the evolving sector and what Ofgem’s focus should be going forward. An important element of our thinking is considering what the role engagement initiatives such as collective switch can play in the future and how best to facilitate them. If you are interested in attending these events please contact the Future Consumers team on futureconsumers@ofgem.gov.uk.

Suppliers have played an integral role in our work on the database and trials. We would like to thank suppliers for their engagement, in particular those who volunteered in the latest phase of the database build. We look forward to suppliers continued co-operation as we, together with government, work with industry on reforms to make the future retail market more competitive and help all consumers, especially the those who find it hardest to look out for themselves in this market, to get a better deal.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Anna Rossington', with a large, stylized flourish at the end.

Anna Rossington

Deputy Director
Consumers and Markets

² <https://www.ofgem.gov.uk/publications-and-updates/what-works-increasing-engagement-energy-tariff-choices>