

Octopus Energy's Response to Ofgem's Draft Consumer Vulnerability Strategy 2025

August 2019

Introduction

Octopus Energy joined the UK energy market in 2016, using technology to create a leaner, efficient business from the ground up. We're passionate about offering great customer service, 100% renewable electricity with transparent, innovative and sustainably priced tariffs.

Our customers are at the heart of everything that we do and we treat all our customers fairly. We've made it as easy as possible for a customer to contact us and all communications are designed with accessibility for all as the main priority. Whether via email, our app, social media or by calling, our customers won't have to wait long to speak to us and can choose the method that suits their needs best. Our energy specialists are trained to help with any issue and to deal with customers in vulnerable circumstances- we're not split into separate departments so there's no need to be passed around. Despite our rapid growth we've proven that it's possible to maintain a high level of service- we were named Which?'s only Recommended Energy Supplier for 2018 and 2019 and have customer service ratings of 9.6/10 on Trustpilot- the leading independent review platform.

Octopus energy is grateful for the opportunity to share our views with Ofgem prior to the publication.

Response

Whilst Ofgem would like to maintain the labelling of customers as vulnerable, in our experience, we find that it's a term that isn't well received by customers and instead customers in vulnerable circumstances would be more preferable.

As such a large amount of switching is done through PCWs and auto-switching sites, Octopus Energy believe that they should also be regulated by Ofgem. More should be done to identify customers in vulnerable circumstances by the sites- the key to this is for the sites

to use alternative technologies such as APIs to integrate with suppliers. We agree that it's important to keep the PSR up to date and feel that the PCWs and switching sites should also play a part in doing so. Furthermore, we believe that PCWs should show the long term value of suppliers and for them to highlight the SVT price difference at the end of the fixed deals.

All energy sites and companies should ensure that all of their communications are accessible for all and designed for the use of screen readers. This includes accessible websites, bills, statements, account management and all suppliers should offer telephony. This should be the same importance for PCWs and auto-switching sites, as every customer should have access to their full account information and be able to benefit from good deals.

We agree that settlement reform and smart meter data will allow or suppliers to create tariffs with prices that reflect the efficient cost of supplying energy and no more. This is something that we have already proven possible with the introduction of our time-of-use tariffs and we've published data to show that our customers have adapted their usage.

All customers should be protected by the price cap - after all, customers move in and out of vulnerability as their life circumstances change or their vulnerability might not have been disclosed. We don't have a different minimum wage for vulnerable workers - it's there to protect everyone with a basic common decency level and the same in energy would alleviate for all. The price cap is key to improving the efficiency of suppliers and although there is a long way to go for the price cap, it should be kept in place for the full term. Differential caps should also be considered by Ofgem in order to continue this process under a more market sensitive approach post 2023.

We have data that shows that the effectiveness of the price cap to push for an increase in the efficiency of suppliers and we also can prove that if you have an efficient system and business model, the cost to serve a customer in a vulnerable circumstance is no more than any other customer. If every customer is treated fairly, with excellent support and sustainable good value prices, there is no need for specific vulnerable customer teams. We strongly believe that the price cap should not lead to any detriment for customers in vulnerable circumstances.

If you would like to discuss any of the above, please feel free to contact me directly on emily.renwick@octoenergy.com