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Jonathan Brearley
Chief Executive Officer
Ofgem
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Dear Mr Brearley,

I am writing to welcome your plans to develop collective switching as a solution to help ensure customers pay a fair price for their energy beyond the end of the current retail price cap, as set out in the Forward Work Programme 2021-22.

As you will be aware, one of our brands energyhelpline worked with Ofgem to develop and deliver a series of consumer engagement trials, designed to help the most disengaged customers who had been on an expensive standard variable tariff for over three years. Our three trials saw record numbers of people save money on their energy bills by taking part in a collective switch. In Ofgem's report on the collective switch trials, it was noted the results had "proven beyond doubt" that collective switching is an "effective intervention which can substantially change energy customer's willingness to switch tariff."

We are therefore delighted to see Ofgem's 2021/22 commitment in the Forward Work Programme to developing collective switching as an option under its proposed 'future of retail' activity. As the Forward Work Programme recognises, post-Covid economic pressures have affected the ability of some households to pay their energy bills. According to Ofgem's data, 777,000 customers were in debt between July and September 2020 – a five-year high. This is an enormous concern for energyhelpline and we believe that the economic impact of the pandemic increases the urgency behind a roll out of collective switching. Collective switching is an especially appropriate method to address these challenges given that it is proven to be highly effective with the most vulnerable customers, who have likely been hit hardest by the pandemic. 42% of customers that switched in the energyhelpline-led trials could be considered vulnerable.

We welcome the Forward Work Programme's aim to enable a future retail market that can help deliver the technological and behavioural changes needed to support decarbonisation while ensuring the interests of consumers remain protected. The collective switch intervention not only protects consumers, but it also helps them to engage with the market on a longer-term basis while making substantial savings. Opt-in / collective switching is a market-friendly intervention, designed to boost competition between suppliers and retain customer choice. We also believe that this intervention can support the creation of the engaged customer base which will be crucial to meeting net zero.

We were pleased to see the government commit in the Energy White Paper to creating a framework to introduce opt-in switching and consulting in March 2021 on how it should be designed, tested, and incrementally scaled up. energyhelpline looks forward to working with both Ofgem and the government to deliver on these commitments, building on the successes of the collective switch trials.

We have long argued for a full, national roll out of collective switching which supports all eight million disengaged customers identified by the Competition and Markets Authority (CMA). We therefore support the incremental scale-up approach indicated in the Energy White Paper and would urge that momentum is capitalised on to ensure that the necessary consultation, legislation, and policy processes are completed in time to scale up by the time the price cap expires in 2024 at a minimum, avoiding a cliff edge for consumers.

However, we would urge government and Ofgem to fast track this intervention given that the financial harm caused by Covid and rising energy bills is happening now. The energyhelpline-led trials proved that collective switching works alongside the price cap and we have illustrated to both government and regulator that actual implementation can be done swiftly.

We support Ofgem's vision for a market where a combination of healthy competition and appropriate safeguards ensures that all consumers pay a competitive price for their energy, and consumers in vulnerable situations are properly protected. We look forward to working with Ofgem and government over the coming weeks and months on the roll out of opt-in switching to help achieve this vision.

We intend to work with the Department for Business, Energy and Industrial Strategy to better understand the proposals put forward on opt-out switching and to ascertain how this will work in principle. However, we understand and agree that opt-in switching, building on the collective switch trials, is the priority.

If you have any further questions, please do not hesitate to get in touch with me directly on Tom.Lyon@comparisontech.com [REDACTED]

Yours sincerely,



Tom Lyon
Director of Energy
Comparison Technologies, parent company of energyhelpline