

Economy Energy response to Ofgem statutory consultation on SLC32A testing of consumer engagement measures

Economy Energy have reviewed the proposed new licence condition SLC32A and do agree that a programme is needed to improve customer engagement within the industry. We also agree that it should fall upon suppliers to find the best and most effective ways to interact with their customers. We believe that allowing suppliers to identify, test and trial new ways to provide customers with information about their accounts to prompt engagement is the most suitable route for the industry.

However, Economy Energy are concerned with some elements of the proposed licence condition and the impact they would have on us. Our main concern is the impact and short notice a trial would have on our systems and resource. Additional resource would be required to facilitate any additional trials and whilst you state that it would be down to the supplier there is only a finite amount of these resources available within the industry and could lead to a bidding war between smaller suppliers and the Big 6, with smaller suppliers more than likely losing out.

Additionally, the cost of recruiting extra resources including both agencies, software and extra staff would be disproportionate for smaller suppliers.

We are also concerned that only having 1 months' notice to start a trial would not be sufficient time to recruit in terms of both additional agencies and system updates as well as additional manpower and feel that a longer notice period, for example 6 months, would be more realistic and achievable.

Economy Energy do see a positive in conducting our own trials and suggesting the areas to look into from feedback we receive from our customers however the licence requires all results to be shared with the industry and we feel this takes away any element of competition and the drive to innovate, something that the CMA and Ofgem have been keen to implement and encourage.

We also think that the first trials being towards the end of 2017 is not the best time for a supplier as this is when we are normally the busiest. We think that starting such a project in the summer months would be our preferred option.

We do feel that an option could be to make the condition less prescriptive. If it were to follow the direction of a more principle based condition and would simply require suppliers to demonstrate, when called upon, what action has been taken to innovate and prompt engagement with its customers.

Economy Energy welcomes reforms and measures by the CMA and Ofgem to help improve customer's knowledge and engagements but is hesitant of the introduction of this licence condition on smaller suppliers.