

To Clem Perry, Domestic Consumers Team
Ofgem
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Via: Futureretailregulation@ofgem.co.uk

6th March 2017

Statutory Consultation: Enabling consumers to make informed choices

Octopus Energy is an independent supplier that started supplying gas and electricity to domestic homes and businesses in Great Britain in 2016. We are a part of the Octopus Investments Group, who over the last decade have become the third largest investor into UK renewable generation in the UK and the largest in solar generation.

We believe:

- That the consumer should be given clearer communication about pricing over a longer period, in order that they can be confident in choosing a supplier that is good for them over the long term, not just the fixed term. It should be clear to consumers what is a supplier's 'real' price and then what is their 'deal' price, akin to the way in which mortgages are marketed with introductory rate and long-term rate.
- That long-term good pricing and service can be enabled by some of the same high efficiency approaches as the eCommerce sector – which goes well beyond just trading and hedging, but also focus on speed, transparency and low operating costs, all combined with outstanding customer experience.
- That the barriers to switching due to the slow and complex nature of the switch process should be systematically eliminated to make switching quicker and easier (as online shopping and services have provided in other sectors) – also leading to quicker visibility and resolution of problems.

We are aligned to the changes in this Statutory Consultation, but continue to flag our major concern of the detriment that customers suffer due to all of the explanation of the tariff being based on one year acquisition tariffs, and not showing the reality for the majority of people – which is that they do not act at the end of the fixed period and then spend a number of years paying considerable premiums on high-priced SVTs. We hope that in the ongoing workstream flagged on PP and CTM, this will be addressed – for example by showing a three year view of their annual payments, or a initially and later (like the mortgage market).

Q 1. Do you have any specific concerns with our proposal to remove prescription from standard licence condition 25 and rely on the proposed package of principles?

We do not have any specific concerns to record on the principles, and welcome the approach of moving to principles.

Q 2. Do you have any specific concerns with our proposals to amend the RMR Clearer Information tools?

We do not have specific concerns with the removal of the TCR, amendments to the TIL or



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Removal of the various transitional provisions covering rollovers, end of fixed term notices and existing Fixed Term Supply Contracts.

We continue to be very concerned that the potential divergence in the approach for the PP (and by extension the CTM) are likely to make the energy sector even more incomprehensible to consumers and remove the basis for real comparison. We welcome the committed plan to move fast and develop potential solutions in Spring 2017, as we think that the industry needs to move in parallel in order to avoid consumer confusion that could lead to reduced switching levels and reduced trust in the energy sector.

Jenny Ashmore
for Octopus Energy