

Address redacted

Dear Sir/Madam,

Date 8 June 2017

Standard condition 32A – Directions for participation in randomised control trial

This letter sets out the decision of the Gas and Electricity Markets Authority's ("**GEMA**"; "**we**") intend to issue (*company name and number redacted*) "**you**" directions pursuant to standard licence condition ("**SLC**") 32A (*Power to direct suppliers to test consumer engagement measures*) of your electricity and gas supply licences.

The directions are enclosed. They require you to carry out and refrain from certain activities as part of a randomised control trial, which we have decided to run in order to test certain prompts for domestic customers. We intend to publish these directions following the conclusion of the trial. In addition, we will send a copy of the trial protocol.

Background to, and rationale for, the directions

In its Final Report on its Energy Market Investigation, the Competition and Markets Authority ("**CMA**") made a number of recommendations to GEMA to address the adverse effects on competition ("**AEC**") it identified in the gas and electricity markets.¹ This included recommendations in respect of the Domestic and Microbusiness Weak Customer Response AECs. In particular, the CMA recommended that GEMA:

- (i) establish an ongoing programme to identify, test and implement measures to provide domestic customers with different or additional information with the aim of promoting engagement; and
- (ii) develop and test proposals concerning a priority list of measures, including changes to the information provided to customers on the availability of cheaper tariffs in the markets.

Following a smaller scale trial at the beginning of 2017, GEMA now considers it appropriate to conduct a randomised control trial ("**RCT**") on measures that are intended to prompt engagement amongst consumers who have not recently switched their energy supplier or tariff. You have been selected in accordance with GEMA's published criteria² to participate in the RCT.

¹ <https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

² https://authors.ofgem.gov.uk/system/files/docs/2017/01/decision_selection_criteria_0.pdf

Yours faithfully,

A handwritten signature in black ink that reads "NBarnes." The signature is written in a cursive, flowing style.

Neil Barnes

Associate Partner, Consumers and Competition

Signed on behalf of the Authority and authorised for that purpose.

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