

Barry Coughlan
Ofgem
9 Millbank
London
SW1P 3GE

01 September 2017

Dear Barry,

Response to 'Default tariffs for domestic consumers at the end of fixed-term contracts'

Robin Hood Energy is a not-for-profit gas and electricity supplier, set up by Nottingham City Council with the aim of tackling fuel poverty. We therefore support any initiatives that help consumers, particularly those who are vulnerable, receive a better deal. Having read your statutory consultation on allowing consumers supplied via fixed-term tariffs to be automatically defaulted onto a further fixed-term tariff, we believe this to be a positive proposal from Ofgem, and one which should benefit consumers.

We note that the consultation only considers those consumers who are coming to the end of a fixed-term contract. Whilst we fully support the proposals, we would encourage Ofgem to engage with BEIS to extend the scope of the policy development to include those consumers who are supplied via a Deemed Contract¹. This would ensure that a wider group of consumers are able to benefit from the increased flexibility offered to suppliers concerning default tariffs. We are however, mindful of the potential difficulty in updating the relevant legislation.

We would also highlight a possible operational issue that could limit supplier use of this flexibility, due to the inclusion of default fixed-term tariffs into the disengaged customer database. We appreciate that this requirement stems from The Energy Market Investigation (Database) Order 2016, but note that some supplier systems might not be able to distinguish between default fixed-term tariffs, and tariffs where a customer has actively made a choice². Given the potential benefits of this flexibility to consumers, we would advise that the CMA and Ofgem consider how best to ensure that uptake of this flexibility by suppliers is not diminished by other regulatory requirements.

Furthermore, we are mindful of Ofgem's intention to reform the customer communication requirements, particularly the end of fixed term notice. The proposed changes to Standard Licence Condition 22.3 outlined in the statutory notices are feasible, but may require amendments to some supplier systems. Given that Ofgem are likely to amend the requirements around the end of fixed term notice further, we note some suppliers might prefer to avoid making multiple changes to the same customer communication.

¹ As defined in the Gas Act (1986), Electricity Act (1989) and Standard Supply Licence Condition 1.

² Assuming any default fixed-term tariff is also available for the consumer to actively select.



We would therefore welcome clarity from Ofgem over the proposed timings of their customer communication reforms.

In regards to the question outlined in the consultation, we do not have any specific concerns with the proposal to allow suppliers to use default fixed-term tariffs. We are supportive of this flexibility, and believe consumers will consequently benefit. We look forward to seeing the impact that these proposals will have on consumers, including the level of consumer engagement.

If you wish to discuss the contents of this letter further, please do not hesitate to contact me at matthew.robson@robinhoodenergy.co.uk or 0115 852 6526.

Kind Regards,



Matthew Robson
Regulation & Compliance Manager
Robin Hood Energy

