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Ecotricity Reference number: 703
9th November 2017

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Ecotricity Response to Consultation on Delivering Faster and More Reliable Switching

Ecotricity is an independent renewable energy generator and supplier, with over 200,000 gas and electricity customers. At Ecotricity, we have three principal attractions: the greenest energy with the emphasis on investing in new sources of renewable energy; the best customer service as demonstrated by the lowest level of complaints in the industry; and an ethical pricing policy that means every customer gets our best price, regardless of payment method. It is this focus on ethics and principles of excellent customer service that's key to our growth.

Supporting Faster Switching

Ecotricity broadly support the goals outlined in the statutory consultation. Faster Switching is the modern way; you can switch your current account with your bank in 7 days, and your phone number by the next working day. The energy industry must follow suit and provide a way for consumers to switch energy suppliers as quickly as possible. The result will be a more dynamic market with increased switching as it seems like less hassle to switch.

CSS

We are supportive of the creation of the Central Switching Service (CSS), providing that these benefits offset the costs accrued by suppliers in systems upgrades and staff training, as well as the wider costs of the CSS' design, build and testing. RP2a is significantly preferable to the other options proposed.

Combining the switching functionality included in MPRS and UK Link will expedite switching and could streamline data verification whilst preventing possible data replication errors. As

Ofgem have highlighted, the improvements in reliability are likely to see a reduction in the volume of

erroneous, delayed and unsuccessful switches. This would reduce the administrative burden on all parties and improve consumer confidence and engagement.

Costs Must Be Kept Under Control

Any costs incurred through the establishing of new systems and processes should be kept under control, and Ofgem should be aware of the possible impact of these costs on smaller suppliers. Significant overspend could lead to increases in consumer bills which would prove detrimental firstly to customers, but also the rest of the energy industry, given the political climate and discussion currently surrounding the price of energy.

There is significant political pressure to keep consumer bills down, but with the extension of the Energy Company Obligation and the movement and the exemption of Energy Intensive Industries from a host of subsidy schemes, bills are set to increase.

3 Month Transition

We support the planned three month transitional period. The systems put in place will be able to be tested with the flexibility afforded by a five day switch. The monitoring of switch completion and erroneous switches during this period should ensure that one working day switching can be implemented without issue. If the implementation does not go smoothly, it could take years to recover to the current levels of consumer confidence, which are already low.

DCC

It makes sense for the DCC to establish and maintain the service due to the role they play as infrastructure providers for smart data industry wide. Their experience should entail cost and time savings. However, we have concerns given the delays in the DCC's provision of smart services, and Ofgem's recent DCC Price Control Consultation in which poor resource efficiency and contract management were blamed for soaring costs.

Requiring the DCC to competitively procure the service could somewhat mitigate the risk of these problems occurring. However, controls should be in place to ensure similar delays and expenses are not encountered with the design and implementation of the CSS.

Cooling off

We oppose the cooling off proposals in the consultation. Consumers do not always choose a cheaper deal. Both a customer switching to a more ethical, genuinely green, supplier and a customer who previously chose the cheapest deal on the market but have been disappointed with the customer service will expect to pay more when they choose a new supplier. In these instances:

- Confirming from the customer the exact deal (with any relevant discounts) the customer was on with their previous supplier will be problematic.

- Different consumption patterns at different times of the year could see a rise in consumer complaints as it may appear that the new supplier is charging them more but this is not the case.
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- A large administrative burden would be placed on billing systems, whereby they are required to account for every other supplier's prices and different pricing structures in order to remain compliant.
- Suppliers could lose large amounts of money having to supply to customers moving from loss-making tariffs or from tariffs that their new supplier cannot afford to offer.

These are costs which would be difficult to recover for fear of exacerbating the problem; if bills increase, any further supplier losses incurred in the same way would increase proportionally.

In view of this, and the speed at which switching will take place, we suggest that it would be simpler for customers to pay the new rate for the short time before switching back, as is the case with, for example, travel insurance although we realise this may need legislative reform. Perhaps in a new faster switching environment, it may be prudent for the customer to be able to opt for one day switching, and waive the cooling off period.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact Kit Dixon on 01453 840635 or kit.dixon@ecotricity.co.uk.

Yours sincerely,



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