



Neil Barnes
Senior Partner
Consumers and Competition
Ofgem

21st December 2017

By email only: futuresupply@ofgem.gov.uk

Dear Neil,

Re: Future supply market arrangements – a call for evidence.

The Utilities Intermediaries Association (UIA) www.uia.org.uk is a Trade Association which represents third party intermediaries (TPIs) in the utilities sector. Our members are signed to the UIA Code of Practice which gives confidence to consumers who utilise the services of a UIA registered TPI and gives them redress should those services fall short.

A lot of this project is outside the scope of the UIA and whereas we may have an opinion, we have left it at this time for those directly affected to contribute. As we understand it, the objective of your document is to create an environment where innovation and competition can flourish but consumers remain protected. Essentially that means creating a flexible space in which future developments can be readily accommodated and one that does not disadvantage any section of market stakeholders

With that in mind, perhaps the concept of principles based regulation should be considered in its widest possible context and apply to all areas within the industry. Newly emerging companies and established industry participants could be measured on consumer outcomes, not what set of processes are required to deliver that outcome. There will remain a requirement on some companies to adhere to specific rules, but that should be as an addendum to what would become more generic/principled based industry agreements.

This concept would also extend to consumer protection, which currently resides for Ofgem and within consumer protection laws around the domestic sector. The CMA added another layer of complexity surrounding “consumer” protection by determining that a sub section of micro business should also be afforded the same protection as domestic. It is our belief that it would be simpler and fairer to adopt the principle of consumer protection for everyone and all those who deal with consumers in whatever capacity should be adhering to the same over-arching standards.

Data and access to data will be key to ensuring competition and innovation can flourish, it is therefore vital that industry acknowledges the fact that customer’s own their data and should have free unfettered access to it.

We have strong reservations about intervening in a competitive market. People should be allowed to make informed choices, not be steered or compelled by a regulator who thinks they know best. Previous experiences have shown that interventions have unintended consequences, and there is a concern that by intervening here, you will impact on those who do engage, and energy prices will flatline. Indicators would suggest that we have a competitive market, switching rates are at their highest since 2008 and we have over 60 suppliers to choose from, meanwhile the impact of the CMA database remedy has yet to be qualified.

The effectiveness of any regulation will be judged upon the speed and effectiveness of remedial action taken and will influence both consumer perception and industry behaviours. Currently enforcement is too slow, with the regulator tasked only with handling complaints of scale. How the regulatory landscape is structured going forwards will require re-evaluation as utilities and the services that develop around them become ever more homogenised.

Yours Sincerely

Rachael Gladwin
Director

