

Xander Fare
Consumers and Competition
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

30 May 2018

Dear Xander,

CONSULTATION ON THE IMPLEMENTATION OF THE CMA'S WHOLE OF MARKET RECOMMENDATION

Thank you for the opportunity to respond to the above consultation, which sets out Ofgem's proposals on the implementation of the Competition and Markets Authority's (CMA) recommendation to remove the Whole of Market (WoM) requirement from the Confidence Code.

As explained in our previous responses, we continue to support the full removal of the WoM requirement and we believe that Ofgem's minded-to option strikes an appropriate balance between achieving the benefits envisaged by the CMA and addressing the potential risks identified in the consultation document.

We note that Ofgem intends to set out its plans to monitor PCW commission rates, to track the risk that these changes increase the bargaining power of accredited PCWs. We believe this a prudent approach, given the potential impact on consumer bills, and look forward to seeing more detail on Ofgem's plans in due course.

Our answer to the consultation questions are in Annex 1 attached.

If you have any questions about this response please contact me or Pamela Smith (pamela.smith@scottishpower.com).

Yours sincerely,



Richard Sweet
Head of Regulatory Policy

CONSULTATION ON THE IMPLEMENTATION OF THE CMA'S WHOLE OF MARKET RECOMMENDATION – SCOTTISHPOWER RESPONSE

Question 1: Do you agree that our minded-to option is the best means of achieving the benefits and mitigating the risks of removing the WoM requirement?

We believe the CMA was correct in its recommendation to remove the whole of market obligation and are pleased that Ofgem is proposing to implement it full, albeit with the additional requirement that PCWs provide a link to the Citizens' Advice comparison tool.

Provided that the Citizens Advice tool remains purely a source of information and does not compete with PCWs in fulfilling switches, we do not believe that this will detract materially from the CMA recommendation. We think it is likely that PCWs will continue to display a wide range of tariffs (as they will need to do to attract users in the first place) meaning that relatively few consumers will make use of the Citizens Advice link. Nevertheless, we can see that it potentially has merit as a safeguard protection.

We also welcome the removal of the testing obligations from the Code as we agree that the continued inclusion could place an undue burden on accredited PCWs.

Question 2: Do you agree that our proposed drafting of the Code is the best means of achieving the benefits and mitigating the risks of removing the WoM requirement?

We agree with the majority of the Code changes but would question whether it is appropriate to remove Requirement Five, paragraph (A) in its entirety. Although it is likely to be in PCWs' self-interest to display a wide range of fulfillable tariffs, we think there may be merit in retaining a backstop requirement to display a minimum number of tariffs, to ensure that customers' switching decisions are based on visibility of a sufficient range of options. We have suggested some alternative wording below for Ofgem's consideration.

Reference	Suggested Amendment	Rationale
Requirement 5A	<i>Taking filters into account, a price comparison provided to a consumer must list (on a single page), where available, no fewer than 10 fulfillable, of the cheapest tariffs available in the region where the consumer wants supply. The prices must include VAT (and state that they do so)</i>	<p>This will ensure that customers' switching decisions are based on visibility of a sufficient range of options.</p> <p>The words 'where available' are intended to provide for instances where there may be fewer than 10 fulfillable tariffs available for the PCW to display.</p>

ScottishPower
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