

Hudson Energy Supply (UK) Limited
3rd Floor, Elder House,
586-592 Elder Gate,
Central Milton Keynes,
MK9 1LR

Rachel Clark
Consumers & Markets
Ofgem
10 South Colonnade
Canary Wharf
London
E14 EPU

30th July 2018

Dear Rachel,

Thank you for providing the opportunity to respond on your proposals for introducing Guaranteed Standards of Service Payments to customers for delayed or erroneous switches.

Hudson Energy Supply UK Limited provides energy to domestic customers as Green Star Energy.

We recognise Ofgem's ambition to improve consumer perceptions and experiences of switching supplier. We note that Ofgem refers to delays in switching being a source of frustration for consumers as are erroneous transfers resulting from poor centrally held data.

We are concerned, however, that Ofgem has not included detailed evidence of the consumer detriment resulting from these issues. Ofgem assert that customers are prevented from switching due to perceptions regarding delayed and erroneous transfers, however, we do not agree that is supported by the evidence. Ofgem notes in this consultation that switching levels have increased since 2014, while the proportion that experience difficulties has remained the same. Further, Ofgem evidence that the customer expectation "that something might go wrong" is a barrier to switching. This perception does not appear to be based on fact and more could be done by Ofgem working in unison with Suppliers to publicise the benefits of switching and that 99% are in accordance with consumer preferences. Rather than focusing on the <1% of switches that are erroneous.

Ofgem also provides evidence that over 90% of switches take place within timescales, with 9% taking more than 21 days, however, Ofgem does not identify how many days longer than 21 are taken to complete these switches.

We also note that Ofgem apportions responsibility on Suppliers as a whole but proposes proportional compensation as there is no straightforward way to determine how or which supplier may be responsible. We believe this is because Ofgem are attempting to target Suppliers who are not responsible for the integrity of centrally held data meter point address data.

Ofgem's Change of Supply Expert Group, COSEG, meeting 4 observed in 2013 that updating address data was the responsibility of Distribution Businesses and Gas Transporters with Shippers but that there were "...poor commercial incentives to update central systems". Ofgem explored changes to enforcement of existing licences and new obligations on all parties as a way to improve data quality without taking any forward.

A new dataflow was introduced in electricity to enable suppliers to send meter point address updates to distributors. This D0381 was introduced 22 February 2018. A process compelling distribution to make these updates was not introduced at the same time. MRA Agreed Procedure 9 <https://www.mrasco.com/mra-products/mra-agreed-procedures/states>:

Supplier notifications of potential Metering Point Address updates

3.3 Where the Registered Supplier identifies a potential need for an update to a Metering Point, it may notify the relevant Distribution Business in accordance with clause 3.5.

3.4 A notification to the Distribution Business under clause 3.5 shall not place any obligation on that party to make an update to a Metering Point Address where it does not recognise that such an update would be appropriate.

This clearly identifies Distributors as the responsible party for maintaining meter point address data. Suppliers may notify them that a change is required but there is no guarantee it will be progressed. This notification method has been in place for less than 6 months with no assessment of the success. Ofgem proposes to move forward with obliging suppliers to make payments for delayed and erroneous switches. This does not seem to be proportionate or appropriate.

In our response to the Switching Programme consultation that closed on 4th November 2017 <https://www.ofgem.gov.uk/system/files/docs/2018/02/hudson.pdf> we noted that "This does not resolve the primary reasons for faster switching not being adopted today, namely timescales for data transfer resulting in delayed or poor metering data". These timescales are set for electricity in the Balancing & Settlement Code Procedures and also the Master Registration Agreement documentation. We also noted that the Uniform Network Code prevents registrations taking place in less than 14 days. However, no action has been suggested to address these issues.

In conclusion we do not agree that these proposals are supported by the evidence presented in the consultation and are not proportionate.

If you would like to discuss any part of our response, please contact jevans@justenergy.com.

Kind regards

James Evans