

To: Ofgem Future Retail Regulation team

Via: futureretailregulation@ofgem.gov.uk

18<sup>th</sup> October 2018

## **Response to the Statutory Consultation on domestic supplier-customer communications**

### **Background to Octopus Energy**

Octopus Energy is a rapid growth challenger energy supplier that supplies gas and electricity to homes and businesses in Great Britain. Our largest investor is the Octopus Investments Group, who over the last decade has become the third largest investor into UK renewable generation in the UK and the largest in solar generation.

It is the only energy supplier recommended by 'Which?' in 2017/18, based on their analysis of industry metrics, including complaints, pricing and customer surveys, and uSwitch's Supplier of the Year based on their survey of over 15,000 consumers.

Furthermore, Octopus Energy is an established innovator in time-of-use tariffs, having introduced the world's first dynamic half-hourly electricity tariff, Agile Octopus, in 2018.

### **Overall Response**

We recognise the changing technological, economic and societal factors driving Ofgem's approach to principle-based regulation, and welcome the opportunities for innovation such an approach presents.

We support the principles outlined in Annex 3:

- Encouraging and enabling engagement
- Assistance and advice information
- Relevant billing information, bills and statements of accounts
- Contract changes information

Our build would be a revision of the definition of “Form” to require suppliers to consider how accessible key information is. Particularly online, key information is too often hidden behind an online account, or tucked away in an attached PDF.

Further, we would like to see the same approach to principle-based regulation applied more widely to areas of the market that are not currently working in a fair way for the consumers today, and the generations of consumers to follow.

Specifically, we would welcome further principles to ensure suppliers demonstrate:

- Fair pricing practices for consumers based on their individual attributes
- Active support for consumer participation in the transition to a low-carbon future

## Specific questions

**Question 1:** *Do you consider that a direction is required to enable suppliers to make changes to existing fixed-term contracts, so that those customers can benefit from our rule changes sooner?*

We do not consider a direction is required to enable a supplier to make changes to existing fixed-term contracts.

**Question 2:** *Are there any other consequential amendments to the licences that we haven't proposed in annexes 1-2 that you consider would be needed in light of our proposed changes?*

We do not believe there are any consequential amendments required.

**Question 3:** *Do you agree that our proposals reflect our policy intent relating to encouraging and enabling engagement?*

We agree the proposals reflect the policy intent. We believe the proposals could be further extended to make environmental impact an explicit component of informed tariff choices.

**Question 4:** *What are your views on our proposal (set out in paragraphs 3.35- 3.36) to move the rules around engagement prompts into a direction separate from the supply licences?*

While we appreciate the need to move promptly on the results of trials, we feel the prescriptive nature of the Cheapest Tariff Message rules leave them at odds with the direction of the other changes outlined in this consultation.

We believe it is every suppliers' responsibility to clearly and transparently communicate the value they offer consumers within the context of the market.

We believe innovation in how that is communicated would be better served through principle-based regulation, rather than more rapid iteration of a prescriptive format.

**Question 5:** Do you agree that our proposals reflect our policy intent relating to assistance and advice information?

We agree the proposals reflect the policy intent.

**Question 6:** Do you agree that our proposals reflect our policy intent relating to Bills and billing information?

We agree the proposals reflect the policy intent.

**Question 7:** Do you agree that our proposals reflect our policy intent relating to contract changes?

We agree the proposals reflect the policy intent.

We would welcome any further questions or clarifications on our response, and we are happy for it to be published in full.

Yours Faithfully,

*Peter Miller*  
Octopus Energy