

Domestic supplier-customer communications rulebook reforms

Statutory Consultation

A Response by Utility Warehouse

This document sets out the views of Utility Warehouse regarding the Ofgem statutory consultation '*Domestic supplier-customer communications rulebook reforms*' published by Ofgem on 20 September 2018.

Utility Warehouse is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets. Customers benefit from the convenience of a single monthly statement, consistently good value across all their utilities and exceptional levels of customer service. Utility Warehouse does not advertise, relying instead on 'word of mouth' recommendation by existing satisfied customers and distributors in order to grow its market share.

We take our responsibilities as an energy provider very seriously and make every effort to ensure we provide such essential services to our customers with the utmost integrity; the customer is at the heart of our business model and the way in which we operate. Customer value is the cornerstone of the success we have had and continue to achieve.

Utility Warehouse welcomes Ofgem's continued reform to move towards a principle based approach for the regulatory framework surrounding customer communications and we continue to be generally supportive of the proposals. It is imperative that any changes are carefully balanced so to ensure the desired outcomes are fair for all customers and truly reflective of outcome based regulation.

Our response focuses on certain aspects of the statutory consultation and as such we have not provided comments on all the consultation questions. We trust Ofgem will find our comments useful and we are happy to discuss further if that would be of help.

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

We agree that Ofgem's proposals reflect their policy intent relating to encouraging and enabling engagement.

However, the proposed text for standard condition 31F.6 set out in Annexes 1-2 as currently drafted places restrictions on the provision of the Cheapest Tariff Message in instances where the name of a Dual Fuel Tariff is in fact the same for both fuels. Where this is the case, we would not expect to have to provide two separate statements that specify the name of the gas Tariff and the name of the electricity Tariff separately. The current drafting of standard condition 31F.6 therefore goes beyond the current requirements as set out in standard condition 31A Schedule 1.11 and 1.12 to provide the Cheapest Tariff Message separately for Dual Fuel Accounts that exist specifically for Bills and Statements of Account. We believe suppliers should continue to have the ability to provide the Cheapest Tariff Message for Dual Fuel Accounts in an aggregated form for all communications, including the Statement of Renewal Terms and Price Increase Notices. This will facilitate shorter, more engaging communications.

In addition, we have identified a potential drafting error related to the encouraging and enabling engagement principle in Annexes 1-2 and again seek further clarity to prevent uncertainty. This is related to standard condition 31F.9(a) which references preparing your “About Your Tariff” Label in accordance with 31H.5(d). We cannot locate standard condition 31H.5(d) within either Annex 1 or 2.

**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 license).**

We have significant concerns with Ofgem’s proposal (set out in paragraphs 3.35-3.36) and would strongly encourage that rules around engagement prompts remain within the Supply Licenses and should not be put forward in separate Directions. This will ensure complete and transparent consultations are undertaken moving forward regarding any future changes Ofgem may look to implement when prompted by the results of their consumer engagement trials.

While we recognise Ofgem’s desire to be agile, we believe the proposed mechanism of using Directions to do so would create significant uncertainty for suppliers. This could restrict innovation and undermine any future projects suppliers may undertake on supplier-customer communications to improve outcomes, following prescription being reduced. In addition, the proposal would fundamentally contradict the new customer communication principles Ofgem are looking to introduce, as it would effectively give Ofgem the capability to revert to a prescriptive regulatory framework at short notice.

**Question 6: Do you agree that our proposals (summarised in boxes 5 and 6 on pages 47 and 49) reflect our policy intent relating to Relevant Billing Information, Bills and statements of account?**

We agree that Ofgem’s proposals reflect their policy intent relating to Relevant Billing Information, Bills and statements of account, however, have identified a drafting issue with standard condition 31H.2 in Annexes 1-2. A space missing where it states the licensee “musttake” into account that Domestic Customer’s characteristics and current Tariff’s features.