

Competition and Markets Authority

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When Ofgem introduced RMR we felt it was the regulator moving from regulating the market to micromanaging the suppliers. The recent CMA report raises similar concerns by trying to micromanage consumer behaviour; telling (and prompting) them what they ought to be doing.

We have grave concerns about some of the findings and the proposed remedies specifically the implied interventionist price control of a default tariff.

I am a simple man and like to express myself in a similar manner.

The CMA' assessment of consumer behaviour is at odds with our own experience.

Our customers do not see our offering as providing a homogeneous product. While they understand that the energy delivered to their door is the same as their neighbour's and that the green energy we buy does not go to their sockets, they do see value in the role we perform, the service we offer and the free share scheme we provide.

I fear that the CMA would deem them to be irrational consumers in their terms, but having met many of our customers at our AGM, they are very far from irrational and possibly some of the most rational human beings I have been lucky enough to meet.

As a small supplier we do not see our role as protecting or speaking up for the Big 6, but the suggestion that consumers have been overcharged by £1.2 billion is not reflected in the reported profits of the incumbents of the industry, is a tabloid headline grabber and assumes that the lowest price tariff you have used in your calculations, a) makes money for the company operating it and b) could be made available to all 26 million households in the UK. You'll gather from that that I don't think it could!

As for RMR and a competitive market, the two things are diametrically opposed. RMR is micro managing our businesses not regulating them and while the abolition of the 4 tariff rule is to be applauded it doesn't go far enough. The level of information we are forced to put on our bills is immense and flies in the face of 'making things simpler'. Our loyalty bonus was outlawed by RMR, it was both welcomed and missed by our customers, our share scheme has a derogation but continues to be at risk, and a recent survey found that our customers value the ability to have a voice inside their energy company.

Micro management cannot protect consumers from a rising wholesale market or increases in regulatory, environmental, social or distribution costs!!

On consumer engagement, the terms 'horse' and 'water' spring to mind. Consumers in a free market make choices; at a personal level I think a Mulberry handbag is an irrational choice but I believe people with greater intellect than me buy them and enjoy the experience of using them. We don't force grocery shoppers to buy their goods in Lidl (or KwickSave in days gone by) so why are we insisting that consumers MUST switch their supplier if they haven't done so in 18 years.

Every business I have ever worked in has striven for customer loyalty, repeat purchases and recommendations to friends. Forcing people onto tariffs they haven't chosen, while telling them they're irrational if they don't, is not a way to engender support, loyalty or cooperation. I'm afraid the CMA are way out of line here. You can't force people to make changes and savings they don't want to make. That is 'state' interventionism at its worst – Nanny know best!

Doug Stewart, CEO