

Project Manager  
Energy market investigation  
Competition and Markets Authority  
Victoria House  
Southampton Row  
London  
WC1A 4AD

04 August 2015

Dear Sir or Madam,

I am writing in response to the provisional findings of the Competition and Markets' Authority investigation into the energy market. I am Chief Ombudsman and Chief Executive of Ombudsman Services, the sole ombudsman for the energy market this country. More information about Ombudsman Services can be found on the separate page at the end of this letter.

We welcome the publication of the provisional remedies by the CMA. The CMA may be aware from our last submission in August 2014 that Ombudsman Services possesses detailed data on complaint levels in the energy market.

The provisional findings have outlined 'widespread consumer disengagement' in the market, 'confusing and inaccurate bills' and 'high levels of consumer service complaints'. This is confirmed by our data, which we continue to publish on a monthly basis.

In June 2015, we accepted 4,829 complaints about energy – a figure which is 15% higher than in June 2014. The vast majority of complaints consistently relate to billing issues (3,855 in June 2015). Of the billing complaints, the issues which generate the most problems are generally back billing, disputed charges, inaccurate invoices, inaccurate meter readings and missing bills.

Complaint levels remain significantly higher than in previous years. This year, we received the most complaints ever in a single month: in January 2015, 7,098 complaints were registered. This is double the figure for January 2014, indicating widespread consumer detriment. Since January 2012, overall energy complaints have risen by 536%. We do not possess definitive data on why complaints have risen so much, but we believe that greater political and media scrutiny, a greater willingness to complain and higher prices driving consumer expectation all play a part.

Ombudsman Services has recently begun to publish such complaint data, broken down by market participant. All of this data can be found on our website at <http://www.ombudsman-services.org/key-figures-about-ombudsman-services-.html>.

It is our intention that the publication of these figures will act as a spur to competition. In addition, we meet regularly with each participant firm in the energy market to feed back our complaint data and to highlight particular issues that are causing problems.

We believe that our data is critical to understanding consumer disengagement in the energy market. Should the CMA require further detail as the investigation moves into its final stages, we would be pleased to provide it.

Yours faithfully,

Lewis Shand Smith  
Chief Ombudsman and Chief Executive