



GB Energy Supply Ltd Response to CMA Energy Market Investigation

6th April 2016

GB Energy Supply Ltd [GBES] is fully engaged with the industry changes to support developing a *competitive, transparent and trust based relationship with consumers*.

As a relatively new supplier GBES prides itself on safeguarding the right customer outcome, through all its business activities, and welcomed receipt of the CMA's proposals to reform the energy market, released on 10th March 2016. Whilst accepting that the proposals include a range of measures aimed directly at customers to help and encourage a greater number to benefit from switching to a more competitively priced deal, GBES wishes to provide a response to proposed remedy 73 (b)

73. We are therefore proposing a remedy, the aim of which is to: (b) facilitate competition between PCWs by allowing them to negotiate exclusive tariffs with domestic energy suppliers and to offer discounts funded by the commissions they receive from suppliers.

GBES's response on this is as follows:

- Allowing PCW's to negotiate exclusive tariffs and discounts funded by the commission they receive is likely to lead to consumer confusion on the best available tariffs
- Consumers will be ill-informed of the 'best available tariff' based on there being a range of supplier's who do **NOT** choose to participate in the PCW process or negotiate exclusive tariffs with them
- Suppliers who make a decision **NOT** to pay the commission are those that are directly able to transfer the saving onto customers; hence most likely to be offering the best rate / value tariff

The remedies are proposed to increase the switching of customers to a more competitively priced deal. If this is the case, GBES ask the CMA to put to proof how this can be achieved through further reducing the offering supplied via the PCW's; on the back of financial commissions paid through a limited and select number of suppliers.

Whilst GBES makes a firm decision to refrain from paying commissions to PCW's we question how this remedy cannot serve to significantly reduce the number of customer's from potentially accessing the best tariff deals on the market. GB Energy Supply would welcome response in this regard.