



GBG Response to CMA Energy Market Investigation (non-confidential)

April 2016



Introduction – GBG in the Energy Sector

GB Group (GBG) provides address management and identity validation software solutions and services across all market sectors. It has been working with the gas and electricity industry since the mid-1990s when it was selected by British Gas-Transco during the gas deregulation process to address-match the Sites and Meters database and to provide a rapid-addressing and MPRN lookup tool ('M-View') for transporters and new suppliers alike. GBG produced an electricity version ('SupplyPoint') for the electricity deregulation in the late 1990s shortly followed by a combined gas/electricity product called the Utilities Register (UR) in which the gas and electricity details are brought together for a property address. This is currently in widespread use by several suppliers and distributors as well as by many of the major price-comparison web sites.

During the deregulation of the electricity sector, GBG worked with MRASCO and proposed the 'Standard Address Format' (SAF) which was adopted for all electricity supply addresses. This format is still in use today across the sector.

It is widely recognised that the quality of the address data within ECOES and SCOGES is highly variable: The supply point data is sourced from the electricity distribution network operators and from the gas transporters and may differ considerably from the consumers' version of an address (the version held by the suppliers). Address changes are often not implemented within ECOES and SCOGES.

Because our experience of address and data management over a 30-year history, GBG is in a fortunate position to be able to match, merge and enhance the sector's property data and to provide recommendations on how the underlying source data and processes used to capture and manage it can be further improved.

Currently, GBG is the only company in the UK offering an online service providing access to a PAF-cleansed and combined electricity and gas address source. We are able to improve the quality and accuracy of the data over and above that in the underlying ECOES and SCOGES sources and without the provision of our services, the level of erroneous switching would be significantly higher.

Between 2010 and 2012, GBG was commissioned by DECC to consolidate six years of Energy Consumption data, linked to each individual property and meter point to assist in mapping the UK energy consumption profile. The address matching and merging of around 8 national address datasets that underpinned the NEED project, was well received at DECC as summarised in the document ["What is NEED"](#):

*"GB Group carried out the matching, first ensuring they had Royal Mail Postcode Address File (PAF) formatted addresses on each dataset. These conditioned data were then matched with the NLPG reference set to assign a UPRN to each record. A quality assurance of this matching process was then carried out by Katalysis. **The outputs of this showed that the match rate achieved had exceeded expectations**"*

GBG Utilities Register

GBG receives meter/supply point data (extracts from both ECOES and SCOGES) acting as a third-party data processor. The gas and electricity supply addresses are matched together and also cleansed against Royal Mail Postcode Address File (PAF) and any address corrections and postcode updates are applied. The data is then published back to the suppliers/distributors through GBG's Utilities Register, an online web-service which can be integrated into clients' customer-service/registration systems allowing users to search the data by address or supply point number.

Data Supply

GBG receives ECOES on a monthly basis. The SCOGES data is received on a quarterly basis. The addresses are validated and cleansed, including correction of postcode and address details by matching to Royal Mail's PAF file. Properties that cannot be validated against PAF such as plots, some flats/apartments, non-deliverable addresses and also those which cannot be matched with a high-enough degree of confidence, are still included within the final output database for the Utilities Register: GBG does not throw any record away.

GBG rebuilds its Utilities Register data on a monthly basis, following the receipt of the ECOES and monthly PAF refreshes. However, some of our customers also take daily PAF changes files which they apply to a local copy of our data. This further improves data accuracy.

Data Sharing and Role in Switching Process

The Utilities Register is used by several of the leading switching sites for the capture and validation of customer details. Some of our clients use the service purely as an online address lookup (user enters postcode and selects address from a drop-down list). Others retrieve the MPAN/MPRN, meter serial numbers, the meter type, Grid Supply Point ID and also the top-line data in order to help calculate a more accurate tariff estimate for the consumer. The Utilities Register web service also allows users to search on MPAN/MPRN and meter serial number as alternatives for hard-to-find addresses.

Responses to CMA Energy Market Investigation

Relating To:

6.154

By giving PCWs access to the ECOES and SCOGES databases; PCWs could retrieve MPAN/MPRN numbers using the address provided by customers, therefore potentially avoiding an erroneous transfer or a failed switch.

6.158

(c) Scottish Power said that it estimated that 50% of erroneous transfers, where it was the gaining supplier, arose from incorrect MPANs or MPRNs, generally due to address mismatch. Of these, around 40% of erroneous transfers occurred because the customer had selected the incorrect address. It estimated that allowing PCWs to access the ECOES database would eliminate around 10% of erroneous transfers.

Response

The sources of the address data within ECOES and SCOGES are the electricity distributors and the gas transporters. In the main, these are the same as the consumers' addresses held by the energy retailers (the suppliers) although there is a significant percentage of the ECOES and SCOGES addresses which differ from the supplier's version, and also which cannot be matched to 'industry standard' address references such as Royal Mail's PAF or Ordnance Survey's AddressBase.

As a consequence, customers attempting to switch may be either unable to find their address on the ECOES or SCOGES data or may be confused over which address to select, particularly during dual fuel applications if the SCOGES version of the address differs from the ECOES version.

Relating To:

6.165 Most PCWs said that they currently used a third party data provider, GB Group, to retrieve MPAN and MPRN information on behalf of their customers, but the ECOES and SCOGES databases were generally considered more accurate and up to date than the GB Group database.

6.168 ... Whilst they do have access to the GB Group data, at a cost of £??, this information is not as accurate or up-to-date as the ECOES and SCOGES databases.

6.177 ... to rely on the GB Group database, which is less accurate than direct access to the ECOES and SCOGES databases

Response

Being updated on a daily basis, the ECOES and SCOGES data is more up-to-date than that provided by GBG. However, GBG cleanses the ECOES and SCOGES data against PAF and as such improves the accuracy of the data, particularly the postcode element of the address. If new rules around the provision of ECOES and SCOGES to trusted third parties would permit GBG to obtain direct access to the ECOES and SCOGES data rather than acting as third party data processes for its customers using

monthly and quarterly refreshes, then we would be able to make the updates visible to our online customers immediately. Our technology for example, currently provides around 5,000 PAF updates through our web services on a daily basis to our customers including some PCWs, within hours of receipt.

Relating To:

6.166 *uSwitch said that the GB Group data provided meter numbers based on address, but coverage was limited to approximately 90% of Great Britain ...*

Response

GBG achieves match rates to PAF of approximately 85%-88% for the ECOES data and 93%-95% for the SCOGES data. However, GBG includes 100% of data from the ECOES and SCOGES extracts, even those records which cannot be confidently match to PAF. This covers the whole of the Great Britain. In addition, we provide a number of addresses from PAF and other data sources that do not exist on or cannot be matched to the ECOES or SCOGES data.

Relating To:

6.167

(a) The GB Group database is compiled using a limited MPAS data set supplied by Gemserv on a monthly basis and other various data sources. We also understand that Gemserv and the GB Group have a commercial agreement in place, whereby they share some of the revenues received from the sale of the GB Group database.

Response

None of the data published in our Utilities Register web service is provided to us by Gemserv or Xoserve.

Relating To:

6.177 We consider that providing PCWs with access to the ECOES and SCOGES databases has the potential to reduce erroneous and failed transfers by avoiding the need for customers switching using a PCW to enter their meter numbers or for PCWs to rely on the GB Group database, which is less accurate than direct access to the ECOES and SCOGES databases. While, in absolute terms, the number of cases of switching that access to the ECOES and SCOGES databases may directly facilitate may be small, cases of erroneous and failed transfers could be expected to have a wider and disproportionate impact on domestic customers' confidence in the use of PCWs and perception about the ease of switching more generally.

Response

Currently, GBG receives ECOES and SCOGES extracts on a monthly and quarterly basis respectively. We improve the accuracy of the poorer quality address data wherever we are able to achieve a confident address match to PAF.

PCWs directly accessing the ECOES and SCOGES data would thus need to address the same underlying quality issues that GBG does and additionally, would need to match together the gas and electricity addresses themselves in order to present a consolidated view for the consumers.

Whilst we support the wider distribution of the ECOES and SCOGES data to PCWS and other third parties, we believe therefore that this in itself would have no direct impact on the reduction of erroneous transfers nor improve the efficiency of the switching journey for the end consumer.

Whilst the address cleansing that we undertake helps to realise significant improvements in the address quality, GBG considers that further benefits can be achieved through the coordinated alignment of data held by the retail suppliers and the distributors/transporters.

The discussions around the causes of, and the resolution to the poor quality of some of the address data within ECOES and SCOGES are provided in detail in GBG's response to the Address Data Working Group's consultation document.

General Considerations

GBG's response in autumn 2015 to the Address Data Working Group's energy industry consultation document discusses a number of recommendations to help improve the quality of address data within the industry and so facilitate error-free and efficient switching. These include but are not limited to the following:

- Reconciliation of the ECOES and SCOGES data with consumers' supply addresses held by the suppliers using the MPAN/MPRN;
- Initial address cleanse to ensure that the ECOES and SCOGES addresses are correct and aligned together within a consolidated offering (necessary for the Centralised Registration Service proposed by Ofgem);
- An ongoing maintenance programme to ensure that real-world changes (street numbering and naming updates, postcode alterations and changes to business occupancy) are applied to supply addresses;
- The introduction of codes of practice for the implementation of new supplies requiring closer coordination between building contractors, planning authorities, energy supply installers, distributors and transporters to minimise the chances of 'plot-to-postal' problems arising for new build properties.