

Your details

Q1: Title (e.g. Mr, Mrs, Ms, Dr, etc)

Mr

Q2: Forename

Kenny

Q3: Surname

Griffith

Q4: Email

[<]

Q5: What is your role / profession?

Head of PArtnerships

Q6: Are you representing yourself or an organisation?

An organisation

Publishing your details

Q7: If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response? *Respondent skipped this question*

Your organisation

Q8: What is the organisation's name?

Energylinx

Q9: Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?

Energylinx are one of the PCWs accredited to the Ofgem Confidence Code for Domestic Energy . Energylinx only operate in the energy sector

Theme 1: Consumers' perceptions, use and experience of DCTs

Q10: 1. When and why do consumers use DCTs? To what extent do they trust them?

Consumers tend to use DCTs at two fixed points.

- Moving home
- At the end of a fixed price tariff contract

All other engagement is as a result of some form of marketing or media activity to encourage them to compare and switch.

CMA: Digital Comparison Tools Market Study Response Form

The level of trust depends on individual brands and a blunt measure would be the relationship between quotes to sign ups. There are also a number of other factors affecting the completed switches such as the ability to actually sign up to a supplier (Commercial), differing results from DCTs (trust) or they may already be on the best deal or not saving enough (commercial).

Q11: 2. How do consumers choose which and how many DCTs to use?

Energylinx believe that brand, confidence and consistency in the results drive consumer decision in what and how many DCTs they use.

With energy, there is 12 Ofgem accredited comparison websites that are part of the Confidence Code. Ofgem has a “Be an Energy Shopper” website and this encourages the consumer to use an Ofgem accredited DCT.

Every accredited DCT must show all energy price plans. So regardless of what member of the confidence code a customer chooses to use, the results should be the same. In theory this should improve trust, however most of the large multi vertical DCTs are not signatories to the Confidence code. This would suggest that consumers trust the brand of the DCT rather than the regulator Ofgem.

The whole of market (WOM) view can however lead to a poor customer experience due to a large number of deals not being available through the DCT resulting in consumers having to start the whole process again on another platform or directly through the supplier. A number of large comparison websites that are not signatories of the Ofgem Confidence Code, can choose to show only tariffs that the consumer can switch to through in their results.

Q12: 3. What are consumers' expectations of DCTs - for instance in terms of market coverage and the relationships between DCTs and the suppliers they list?

Technology is advancing and we have seen almost a mini explosion in the number of challenger type energy brands in the market today and this means that where a decade ago we may have seen circa 50 results in a comparison table we can easily today see close to 300.

Usually consumers use DCTs to find the best deal available to them. As Energylinx provide a WOM view, the amount of results in a customers' personal projection may be overwhelming. Energylinx allows the customer to filter the results based on their priorities. Consumers look for a convenient and transparent comparison process.

Q13: 4. What are consumers' experiences of using DCTs? Do they benefit from using them and, if so, how? What works well and what could be improved?

Yes, the consumer benefits from using DCTs as they get access to a wider choice and it is less time consuming than visiting energy suppliers directly. In most cases they benefit financially as prices change constantly, which means the market is fluid and good deals can be obtained through shopping around

Theme 2: Impact of DCTs on competition between suppliers of the services they compare

Q14: 5. What factors influence suppliers' use and choice of DCTs and why?

Energylinx believe that suppliers agree to work with certain DCTs based on the technology they have, personalities involved, brand penetration and the ease of doing business with a DCT.

Q15: 6. To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them?

By partnering with a DCT a new entrant (supplier) gets instant access to the market. Even if they choose not to sell their product through a DCT. They still obtain free marketing as their name is displayed alongside some of the bigger players in the market, and on some of the bigger DCTs and doing so gives them credibility as well as exposure. However, presently there is a culture where challenger suppliers benefit from the free marketing they receive from featuring on a DCT, without a commercial arrangement that benefits the DCT. This leads to a poor customer experience. As mentioned previously and ultimately is not sustainable for the DCT.

Q16: 7. How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers?

It pushes suppliers to identify their USP to differentiate themselves in the market especially if they are not the cheapest supplier.

Q17: 8. What are the barriers, if any, to DCTs increasing competition between suppliers, and how can these be overcome?

In the current culture, DCTs don't have a sustainable business. Regardless of whether they have a commercial relationship with the suppliers they have to show to customers in the results, even if the customer can't switch directly through the DCT. Customers use the DCT for comparison purposes but can't then switch, leaving a bad impression of the DCT.

Q18: 9. In what ways, if any, have DCTs changed suppliers' approach to consumers - for instance in terms of whether they treat consumers who use DCTs differently to those who do not?

After the recent CMA report and the loss of the 4 tariff rule, suppliers can, for example, now offer deals that are for new customers only. This means existing customers are missing out on the best deals and in some instances are paying £300 a year more to the same supplier. However, we don't believe that energy suppliers treat customer differently whether they acquired them from a DCT or directly.

Theme 3: Competition between DCTs

Q19: 10. In what ways do DCTs compete with each other - for instance in terms of coverage, the savings consumers can make, the services they provide, their ease of use, transparency and how they protect consumers' data?

Energylinx feel it would be inappropriate to discuss our competitors. We are happy to answer questions on DCTs with regards to customers, energy suppliers and the regulator.

Q20: 11. What factors influence how effectively DCTs can compete - for example, whether they can secure the necessary consumer data, supplier information or other data?

As with question 10.

Q21: 12. If there are barriers to competition between DCTs, how significant are these and how can they be overcome?

They may be perceived barriers to entry for new entrants coming into the market but these have been faced by existing DCTs when they entered the market .

The three key points are 1 accessing supplier tariff information 2 obtaining commercial relationships with suppliers and 3 building the technical solutions to deliver a service.

All of the above can be overcome by hard work and perseverance

Theme 4: The regulatory environment

Q22: 13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?

While positive, the move from prescription based to principle based regulation will, we believe, lead to challenges as a result of each of the 60+ suppliers interpreting their obligations under their licence conditions differently. This causes DCTs issues in presentation to the consumer of potentially conflicting positions.

Q23: 14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?

We would suggest that Ofgem accredited DCTs by definition are meeting competition and consumer protection requirements.

Q24: 15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?

We feel, in the energy industry, that Ofgem should be pushing for what we would call a “de minimis” comparison and switching service.

The current idea of asking the consumer what supplier they are with, how many kWh of energy do they use is completely outdated given the information flows available to accredited DCTs and energy suppliers alike.

The questions that should be asked of the consumer at the time they wish a comparison are:

- What is your postcode and from that please select your address
- Do we have your permission to access industry held data on your behalf?

With modern security and with the available data flows, an accurate energy price comparison can be created for any UK consumer covering either WoM or a partial view.

We believe this would lead to a more accurate and consistent service to consumers

Future developments, other comments and further contact

Q25: 16. Finally and in relation to all of the issues above, what likely developments over the next three years should we take into account and why?

Transpose 15 and 16

Currently there is an issue with how energy supplier interpret their licence conditions and how they then roll these out to DCTs.

Ofgem regulates suppliers and DCTs differently – this should be consistent in approach.

Q26: Do you have any other comments you would like to add?

Respondent skipped this question

Q27: Would you be willing for us to contact you to discuss your response?

Yes
