

Your details

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

Mr

Q2: Forename

Stephen

Q3: Surname

Smith

Q4: Email

[<]

Q5: What is your role / profession?

Director - Flipper

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?

Flipper Ltd

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

We currently operate in retail energy. We provide an innovative automated switching service. We charge customers an annual fee and then scan the energy market for them and automatically switch them to the cheapest tariff up to four times a year.

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?

Customer use of DCTs is significant and growing across a range of retail products and services. Many customers appear to trust them but in energy, the market we operate in, there are significant changes coming following the CMA's decision to relax the requirement for accredited DCTs to be "whole of market". This needs to be clearly and effectively communicated to prevent significantly undermining customer trust.

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

As a small start up we have not been able to carry out much customer research so do not feel well placed to answer this. We have carried out some limited research on how effective customers are at finding the best deal in energy using DCTs which we would be happy to share. This showed that many customers were unable to identify the best deal.

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?

At Flipper we are, and always will be, whole of market. Our business model (no commission and a membership fee) allows us to do this as we do not receive or rely on payments from suppliers. We do not think most customers understand the commission based model or its impact on whether DCTs list or how they present search results. We also do not think customers understand the impact of any restrictions on re-marketing comparison sites agree to when choosing to accept commission. We think this is an important issue for the CMA to research and test during the inquiry. We think the sort of approach taken by the FCA in its thematic review where it observed real customers using sites to shop around for products is the best way for the CMA to explore these issues. The CMA should also look in detail at outcomes and see how different presentation of results by existing DCTs impacts on customer decisions.

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?

Customers have clearly benefitted significantly from the use of DCTs but as the market matures there are a range of issues emerging. They clearly work well in prompting more customers to shop around for better deals across a range of markets. The areas to explore that may be open to improvement are: greater use of APIs from product suppliers to: lower barriers to entry and expansion; improve the accuracy of comparisons; and make customer journeys simpler. The other area to explore is whether customers understand the different business models (commission v fee based) and their potential impact (restricted coverage versus whole of market) and the impact of the presentation of search results.

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?

We are not well placed to answer this question given our business model.

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?

We are not well placed to answer this question given our business model.

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?

We are not well placed to answer this question given our business model.

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

We think the consistent adoption of APIs covering product pricing, quality of service and historic customer usage - building on the framework of the CMA in retail banking - across all retail services would lower barriers to entry and expansion and increase competition between suppliers.

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?

We are not well placed to answer this question.

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?

As a recent start up we only have limited experience. But our business model is a clear attempt to innovate and compete directly with the major DCTS by providing a simple, easy to use service that is fundamentally different to current offers: automated, whole of market and fee not commission based

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?

See our previous answers on APIs.

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

See our previous answers on APIs.

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?

We have chosen not to become a signatory to Ofgem's Confidence Code. It is too detailed and prescriptive and is not set up for innovative, non commission-based services like ours. We use Trustpilot to help build trust and confidence in the service we offer.

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

We are not well placed to answer this.

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

See the answer to question 13.

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?

We would be happy to share our views in this question in a meeting.

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

We would be happy to meet the CMA to discuss our business and plans and views on this project.

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