Ref: CMA Market Study of Digital Comparison Tools

Thank you for the opportunity to respond to the Statement of Scope issued on the 29 September 2016. We agree it is timely to undertake this review of Digital Comparison Tools (DCT) and support the aims of the study, particularly those related to empowering consumers to engage in markets and reducing the barriers to the effective functioning of DCT’s.

Implementation of Confidence Code recommendations.

The recent CMA Energy Market Investigation proposed remedies and recommendations to facilitate choice and engagement by customers within a more flexible regulatory framework. This included a firm recommendation that Ofgem should remove the whole of market requirement from the Confidence Code. We fully support the swift adoption of this measure.

Provision of MIDATA information

The advantage of Government and Regulators facilitating appropriate access to consumer specific data should also be considered by the review. We welcomed the CMA recommendation to provide access to industry databases to improve the switching experience and encourage customer engagement. We also support the recommendation to reinvigorate the MIDATA programme, and look forward to BEIS imminent consultation on the next phase and resolving the outstanding technical issues. Our view is that customers can substantially benefit when Industry data and MIDATA is combined to capture for instance, eligibility for Warm Home Discount and other customer characteristics. Enhancing the capture and provision of data in this way could be transformative for customers especially the vulnerable.

The benefit of “Opt In by default “ in delivering customer benefits

We recognise the compelling advantages for the majority of consumers of “opt“ (in or out) by default. However there is a very delicate balance indeed between the public and assumed private interest from automatic opting, and the position of data protection regulations which are clear, that where personal data are sensitive, that opting must be an express act by the individual. Currently this matter is unresolved, with different approaches advocated by
DECC/BEIS/Ofgem on metered consumption, and by CMA/Ofgem on consumer engagement remedies. We recognise the tension between these strong forces and believe that it is for the Information Commissioner to show strong leadership and give clear public guidance. We also urge the CMA to consider the consistency between the best policy approach to the use of high temporal resolution consumption data, which will ultimately help consumers with bill reduction by engaging in energy management, and the approach to direct solicitation of consumers to engage in the choice of tariff and supplier.

We hope you find these initial insights helpful in highlighting areas of your review that could deliver improved customer outcomes. We shall follow the progress of the review and look forward to its recommendations.

Yours sincerely,

Paul Youngman.

Future Regulatory Developments Manager.