

From: [✂]

Sent: 29 September 2016 10:38 AM

To: Comparison Tools <ComparisonTools@cma.gsi.gov.uk>

Subject: Energy Price Comparison sites

Dear Sirs

I have read that the CMA are about to commence a study on price comparison sites.

I have used energy price comparison sites on many occasions and have often found their advertised potential savings to be grossly misleading. You should take action on this.

As an example, last week I did a comparison on [✂].

I entered the actual gas and electricity consumption figures in Kwatt/h for the last 12 month period, and the current tariff details, into the [✂] web page. The results of the comparison showed a maximum potential saving of around £200 a year. Similar savings were shown for a large number of energy suppliers.

However, the savings appeared not to be derived by comparing the annual costs for last year and this year, both based on today's prices for the current and new fixed price tariffs, i.e. like for like, but either by comparing the actual spend for last year with the projected spend for the next year, or by comparing against the providers standard tariff (not the customers actual current tariff even though that was entered). It was not clear which.

At a time when energy prices have fallen over the last year, that method of calculation is grossly misleading, as it does not in any way represent the actual saving the customer will achieve by switching supplier. The same saving might well be achieved by remaining with the current supplier, even on the current tariff.

This was confirmed by comparing the projected monthly direct debit costs for the new supplier with the actual direct debits for last year, which showed a saving of only around £2 per month, or £24 per year, rather than the advertised £200 per year.

I have not encountered similar misleading comparisons for other non-energy sites, such as broadband, insurance, or savings interest rates.

Regards

[✂]