



Experian Comments on:
Draft Order - Consultation
“The Energy Market Investigation (ECOES/DES)
Order 2016”
 (“The Draft Order”)

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Experian and the Energy Market

Experian is one of the world’s largest data companies, serving clients in major and growing economies to help consumers and businesses understand one another.

Experian has provided services to the energy market (and their key partners) in the United Kingdom for many years. These services include:

- Credit scoring
- Fraud prevention
- Customer data acquisition & management
- Data quality
- Marketing planning

Of most relevance to the comments below are services from our Experian Data Quality business unit that enable energy market participants and their partners (such as price comparison websites) to capture the correct customer and billing address, using Royal Mail and Ordnance Survey address databases. Services such as these are potentially of significant importance to the desired effects of the Draft Order being achieved.

Experian is fully supportive of moves to help consumers achieve the best energy services, and from our work with clients we know that a seamless journey is a major requirement for customer switching and thus effective competition in the market. If people find the process of comparison too cumbersome, it is often likely to deter them from switching suppliers. We believe that the complexities and regulations in place today are (in some circumstances) a hindrance to effective competition. Our comments are focussed on the proposals made by the CMA where simplification in the regulation and flow of industry data will have the greatest impact to consumers and businesses.

We strongly believe that the full intended effects of the Draft Order will be realised only if the CMA takes account of the points made in this paper. We do not believe that the proposals we make are in any way contentious and hope that the CMA will be able to accept them.

Experian Comments

The Draft Order provides for access to ECOES and DES data to be widened to Price Comparison Websites (PCWs). Experian fully agrees with this recommendation but would emphasise the need to understand that PCWs often rely on additional third party data, and on related services provided by third parties, in order to support consumer switching.

The consumer address data contained within ECOES and DES has been built from a number of industry sources before and since market liberalisation. It is known to be less than perfect, has never been matched centrally to trusted address data sources (such as Royal Mail PAF or Ordnance Survey AddressBase) and when captured is not

done so to a fully agreed standard. However, the MPAN/MPRN meter number contained within is crucial for a consumer switch – either direct with a supplier or via a PCW.

Therefore, PCWs (and the energy market participants themselves) have historically used 3rd parties to ‘match’ the meter address points to a trusted data source to ensure the consumer can recognise their address when applying for a new tariff or switch. For example, the ECOES data may record a flat as ‘1st Floor Flat, 1 High Street’ while the Royal Mail PAF file records it as ‘1a, 1 High Street’. The consumer will only be familiar with the PAF version (as will their bank and thus their credit report).

This disconnect between data can lead to the complete failure of a switch and the consumer losing trust in the PCW route. On the other hand, a seamless journey facilitated by accurate data can help improve engagement. It is therefore critical that access to ECOES and DES is opened up as widely as possible to maximise the chances of data from these sources being used as part of the switching journey.

Experian Data Quality has been a leading supplier of address data quality to a wide variety of market sectors for over 20 years and is well placed to offer a single, reliable address dataset with the consumer facing ‘PAF address’ matched to the all-important MPAN or MPRN number required for a supplier switch to take place. There are also other providers able to offer similar services.

However, because ECOES and DES data is not available outside of market participants, we are unable to assist PCWs today. While we are aware of efforts by other organisations to solve this problem by sharing ECOES and DES data with PCWs under data processing arrangements, Experian has not been comfortable doing the same. As the CMA has noted in relation to its market study into digital comparison tools, consumer trust is essential if PCWs are to function effectively, and this requires clear regulation.

We therefore support: (1) the proposal for access to ECOES and DES to be widened; and (2) the requirement for reasonable access conditions to be imposed. However, we would suggest that the full effects of these remedies will be realised only if PCWs and market participants are able to receive ECOES and DES data from value added resellers such as Experian Data Quality, with the ability of those resellers to enhance the meter data with data from other critical data suppliers such as the Royal Mail. This would allow, for example, a consumer to enter a post code into a PCW and have full address and meter data populated automatically, reducing the risk of manual error and of “drop-offs.”

We would call therefore for the Draft Order to be amended to allow access (under reasonable access conditions) to ECOES and DES for value added resellers for onward supply to market participants and PCWs, including in combination with other data sets.

We would also note the efforts being made by the industry to improve address data quality by the Address Data Working Group (managed by Elexon). While a report was delivered to Ofgem in November 2015, progress seems to be slow. Combining these efforts with the data remedies proposed in the Draft Order would seem a logical next step.

https://www.elexon.co.uk/wp-content/uploads/2014/12/14_246_09_Address-Data-Quality_Slides.pdf