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Sent by email only to: [david.fowlis@cma.gsi.gov.uk](mailto:david.fowlis@cma.gsi.gov.uk) and [energymarket@cma.gsi.gov.uk](mailto:energymarket@cma.gsi.gov.uk)

Dear David

## **Formal Consultation on the Energy Market Investigation (Database) Order 2016**

Thank you for your email dated 18 October asking Centrica to provide written representations on the formal consultation for the Draft Order for Consultation and Draft Explanatory Note for Consultation.

As outlined in our letter dated 29 September to the Initial Consultation on the Energy Market Investigation (Database) Order 2016, we reiterate that we continue to have significant concerns regarding the manner in which consent from customers is sought for inclusion of their data in the database, and specifically the extent to which this is compatible with current and future data protection law. We would refer you once again to these concerns detailed within Appendix 2, of the aforementioned letter, which currently still require resolution by the CMA in conjunction with the ICO.

However, assuming that these issues can be addressed satisfactorily by the CMA or ICO and the proposed data sharing can take place, we are happy to work with the CMA and Ofgem to help ensure the Database is designed such that it achieves its objective of promoting customer engagement, and is capable of being implemented successfully.

We have set out some specific suggestions, questions and observations on the Draft Explanatory Note within Appendix 1 below.

We hope this response is useful and we would welcome the opportunity to discuss this Draft Order with you in more detail.

Yours sincerely

Tim Dewhurst  
Head of Regulatory Affairs  
Centrica, Legal & Regulatory Affairs, UK & Ireland

## Appendix 1

- We would be keen to understand what customer research has been undertaken regarding the format and style of the First Contact Communication (FCC) letter. We are willing to provide a draft version of a letter that we feel would elicit more engagement from consumers, drawing on our own customer's research. For example we would suggest:
  - Keeping the letter to a maximum of two pages and avoiding any text heavy paragraphs to keep the customer engaged.
  - Avoid the use of any jargon and making the customer process as straightforward as possible.
  - A clear opening explanation which sets out the reason for the letter upfront e.g. As you've been on our standard variable tariff for the past three years or more, you might not be getting the best savings for your energy.
  - Clear headings outlining what is happening and any call to action required by the customer e.g. "We're passing your details to Ofgem" and "If you don't want to be on this database, let us know by <date>".
  - Including the opt-out slip on the bottom of the first page, with details of the data that is to be provided.
  - On the reverse include the remaining detail as outlined in the sample letter within the Draft Explanatory Note.
  - As the FCC is to advise customers that their information is to be placed on a database held with Ofgem, we feel that it would add gravitas to the letter if Ofgem's logo and that of the CMA is also included on the letters.
- Is there any consideration to have a "return to sender" data item within the database to avoid suppliers issuing letters to an address that has had the FCC returned?
- Has there been any provision made for how a consumer could complain to Ofgem, as owners of the database, if they have received multiple contact letters from suppliers, before their "opt-out" request has been updated?

### Draft Explanatory Note

- There are numerous references to circumstances where "additional information" (paragraphs 32, 42, 50, 51, 57) may be necessary. We consider that the data points being captured within the "Annex 1 to draft database\_explanatory note\_181016" sufficiently cover all the necessary details and as such, we do not foresee a requirement for any further information to be provided.
- Paragraph 66 suggests we 'may' be able to send a single letter to a dual fuel customer. Can you provide clarification as to whether this will be possible as this would obviously create a better experience for the customer?

- Paragraph 67 states that “Suppliers must send the initial First Contact Communication to their Disengaged Customers by 31 July 2017” but then further on within the same paragraph refers to “suppliers must be ready to send the First Contact Communication to the Disengaged Customers **from** 31 July 2017”. Could you please provide clarification around whether the date for the FCC is by or from the 31 July 2017?
- Paragraph 74 states that suppliers will be permitted to include hyperlinks on websites to Ofgem’s website. When will the URLs be provided and what content will be on them?
- Paragraph 79 - When will GEMA be providing the precise contents, format and structure of the FCC and the format of any mandatory labelling of the envelope?
- Paragraph 82 – When will GEMA be providing the safeguards that will be in place to protect the interests of Disengaged Customers that needs to be included within the FCC?
- Paragraph 84 suggests the first version of the FCC is expected to be confirmed to suppliers by GEMA at least one month in advance of the deadline for sending. As the initial mailing will be to a significant number of customers, we would request that as a minimum the one month notice is extended to a minimum of three months, in order that we can ensure that we have the operational resource to handle, (what ultimately is an unknown number), the large increase in call volumes. Without this extended notice period to mail customers, we could have an influx of calls with customer’s wanting to opt-out that we are unable to resource, with the unintended implication of being unable to fulfil the customer’s opt-out request.

A solution to help manage customer contact would be to include a URL within the FCC so that a customer could access a bespoke page (not available publically on the website), that just contains the opt-out requirements as per the slip within the FCC. This potentially will increase contact rates from customers and also will help reduce the number of inbound calls likely to be received. If a URL is possible within the FCC, it would be extremely helpful to have this confirmed as early as possible in order to undertake testing before the FCC is sent.