

David Fowlis Project Manager CCMG Competition and Markets Authority Victoria House Southampton Row London WC1B 4AD

By email only: <u>david.fowlis@cma.gsi.gov.uk</u> <u>energymarket@cma.gsi.gov.uk</u>

18 November 2016

Dear David

CMA EMI Remedies Consultation on the Energy Market Investigation (Database) Order 2016

Thank you for the opportunity to respond to the above consultation.

We are aware of the forthcoming small scale trial about the database remedy and believe this will provide useful intelligence that could be used to inform the design of the final scheme. Therefore, there could be benefits to ensure the timescales of this consultation for licence changes and the trial outcomes are in line.

We continue to be concerned about the ongoing data protection issues that have already been identified and would like reassurance from the ICO that the provision of relevant data and its associated processing and storage will meet the requirements of all data protection legislation. As the proposal is to pass data on to rival suppliers for marketing purposes this is a very sensitive issue.

Our representations are outlined below.

Inconsistency between explanatory notes and drafting

We have some concerns that the guidance provided in the explanatory note is inconsistent with the wording in the Order. Although we recognise that the

E.ON UK Newstead Court Little Oak Drive Annesley Nottinghamshire NG15 0DR eonenergy.com

Lesley Queripel Regulatory Governance and Reporting Manager

E.ON UK

Registered in England and Wales No 3407430

Registered Office: Westwood Way Westwood Business Park Coventry CV4 8LG explanatory note is not binding it may cause confusion and lead to inconsistency in the interpretation of the licence requirements between suppliers.

The key areas of inconsistency are set out below.

Definition of Default Tariff

The explanatory notes (para 23 and clarified in para 24(a)) state that default tariffs for Domestic customers are "all non-fixed tariffs applied to evergreen and deemed contracts". However, the drafting excludes evergreen tariffs where part of the tariff which currently applies to a Domestic Customer is for a fixed term period. This is a key inconsistency as the definition of default tariff is fundamental to the remedy.

We believe that the draft wording of the licence condition is the correct definition.

First Contact Communication

The wording in the Order (4.4) requires approval of a First Contact Communication by the CMA and GEMA, however, the explanatory notes (para 79) are clear that there is no flexibility for suppliers to draft the first contact communication. We believe it is appropriate for suppliers to be able to write the first contact communication as they have a wealth of experience in effective communication with their customers. The requirement to have the communication approved by CMA and GEMA would provide reassurance that it delivered the required message.

The requirement to have the First Contact Communication branded by the relevant supplier further supports a supplier written letter. There is a risk that any prescribed wording may be inconsistent with the supplier's normal brand communication style. This may result in the customer viewing the letter as potentially fake, and thus ignoring the contents.

If it is not felt that supplier written letters would be adequate it is important that suppliers have the opportunity to review and comment on the proposed wording.

Not allowing information about database on supplier's website

We have a concern about the strict guidance (para 73) that we would be prevented from putting any information about the database on our website. We do not believe this is beneficial for customers as this is the first place customers are likely to look. We would not be averse to including specified text but do not agree that a customer should have to be redirected to different sites to obtain useful and factual information. Furthermore, information about the database will be particularly important for customers who have been on it for a significant period of time, as the opt out information would have been received in the first contact communication letter, which may have been received a long time ago.

Detailed comments on drafting

	Current wording	Suggested wording	Reason
Annual	For which data is	For which data is	Make definition
Consumption	available	recorded	consistent with
Breakdown			Consumption
			Window
			definition
Domestic customer	(iv) the Standing	(iv) the Standing	Current wording
Data	Charges and Unit	Charges and Unit	requires multiple
	Rates that	Rates that applies	sets of prices to
	applied		be provided if
			there has been a
			price change
			during the year.
			Do not believe
			this is the
			intention.
Relevant Customer	who has not	who has not Opted-	Historic prices
Data	Opted-out and	out and who has	are not required
	who has not	been supplied by	to enable other
	been supplied by		Suppliers to
			provide quotes

Yours sincerely

Lesley Queripel Regulatory Governance and Reporting Manager