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Ecotricity Reference number: 624
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**Ecotricity Response to Draft Consultation on Energy Market Investigation
(Database) Order 2016**

Dear David,

Ecotricity is an independent renewable energy generator and supplier, with around 190,000 gas and electricity customers. We pride ourselves on the professional, transparent and personalised service that we offer, which is consistently recognised by our customers and third party surveys. They recognise our transparency and focus on the ethical treatment of our customers. It is precisely because of this commitment to our customers that we strongly oppose the proposed database order, particularly the unnecessary sharing of consumer data as part of its creation.

In September, you will have received a response from Ecotricity on the initial consultation on the proposed database order. Our stance remains unchanged – we are categorically against the implementation of a disengaged consumer database and firmly believe the order in its current form will be to the detriment of consumers.

We would ask the CMA to refer to our initial response for a comprehensive review of our views on the database. However, some of our key thoughts are reiterated below for consideration:

Database Mechanism

We do not think the proposed mechanism is suitable for purpose. At the very least, we envisage consumer trust in the energy market decreasing. The proposed creation of a consumer database – along with sharing of personal data – will lead to a barrage of unnecessary marketing material being sent to consumers, which may be interpreted as junk mail. There are about 20 million homes that will qualify to have their data shared on day one. With more than 30 suppliers able to access their personal details, there is potential for the

creation of up to 600 million items of junk mail. An enormous environmental and social impact; as well as confusing and frustrating for customers.

We also fail to see how the proposal will increase consumer engagement. If consumers are subject to a vast amount of unnecessary marketing material, they will simply ignore any correspondence from energy suppliers. This will inhibit them from accessing the most suitable energy deals to suit their needs, as well as potentially dissuade them from engaging with their current supplier to move to a more appropriate tariff.

For many small or independent suppliers, their customers have joined them for a reason. Our customers care about our excellent customer service; and as a renewable supplier, our investments in green energy. They have made an active choice to join us, and as a result are inherently engaged. We therefore feel the current cheapest tariff messaging is fit for purpose; a database along with associated marketing materials would only disengage consumers further.

By way of alternative, targeting consumers who have not switched since competition was introduced into the industry – 10 years ago – would provide a more appropriate level of engagement and would target the market sector most in need of address.

Default Tariff

We strongly disagree with the default tariff definition. We treat all customers fairly and so all pay the same. This means that all of our customers who have been with us for more than 3 years are technically on a default tariff and would be placed on the database if they do not actively opt out. Suppliers who do this and avoid tying their customers into confusing fixed term contracts would therefore be unfairly penalised. This must be addressed if the remedy is to be implemented in a fair and considered manner.

Communication Letter

The proposal to have an industry wide prescribed letter is very restrictive. We believe that suppliers should have the flexibility to tailor the letter to meet the needs of their customers. It should also be possible to offer additional opt-out methods or information in order to make any remedy as clear as possible for consumers. If a customer fails to read or interact with the initial communication, they may be placed on the database – and be subject to unwanted junk mail – without realising; this cannot happen if the remedy is to be fair to consumers.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission.

Yours sincerely,

Alan Chambers
Acting Compliance Officer