

Your details

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**Q1: Title (e.g. Mr, Mrs, Ms, Dr, etc)**

Mr

**Q2: Forename**

Guy

**Q3: Surname**

Thompson

**Q4: Email**

[><]

**Q5: What is your role / profession?**

Product Director

**Q6: Are you representing yourself or an organisation?**

An organisation

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Publishing your details

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**Q7: If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response?** *Respondent skipped this question*

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Your organisation

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**Q8: What is the organisation's name?**

MyUtilityGenius Limited

**Q9: Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?**

We are a price comparison business focused exclusively in the energy comparison sector. We have a general public facing website [www.myutilitygenius.co.uk](http://www.myutilitygenius.co.uk) and a collective switch brand at [www.thebigbritishswitch.co.uk](http://www.thebigbritishswitch.co.uk). We also provide white label solutions and API solutions to energy supply businesses and other marketing organisations with an interest in energy products.

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Theme 1: Consumers' perceptions, use and experience of DCTs

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**Q10: 1. When and why do consumers use DCTs? To what extent do they trust them?**

We have no research on this subject - others are better placed by both volume and research bandwidth to provide an evidenced answer to this.

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**Q11: 2. How do consumers choose which and how many DCTs to use?**

Consumers choose a DCT on the basis of brand awareness, positioning on Google/Bing etc, e-mail marketing and other forms of direct marketing. They are likely to look at a number of DCT's depending on the product they are comparing. As it stands in energy, Whole of Market obligations on DCT's eliminate the ability to differentiate on product so the company with the biggest Ad or marketing spend wins. Which creates more customers, which leads to energy suppliers only providing exclusives to the players with the most volume and so the cycle repeats. It is a market of giants and dwarves and that is unlikely to change given the dominance of mindshare larger DCT's have not only with consumers but also with regulators and government policy makers.

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**Q12: 3. What are consumers' expectations of DCTs - for instance in terms of market coverage and the relationships between DCTs and the suppliers they list?**

No empirical or survey based evidence for this; although anecdotally consumers do not expect whole of market coverage until they are asked leading questions such as "What do you think about DCT's hiding deals that they don't get paid for?" Certainly in insurance they don't expect it - Direct Line have made a virtue of not being on comparison sites so it is a well understood position.

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**Q13: 4. What are consumers' experiences of using DCTs? Do they benefit from using them and, if so, how? What works well and what could be improved?**

Again we can only talk to anecdotal evidence regarding experience - which tends to be pretty good as DCT's put a lot of effort into UX. Consumers definitely benefit from using them - the service saves them time, money and allows for a more competitive market place which enables suppliers to innovate. At least that is the case in insurance, money and telco. Energy has been a bit more binary in that it only focuses on being top of the table. This may be a result of WOM obligations but what it has also lead to is a reduction in innovation as the only thing being rewarded is absolute price.

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**Theme 2: Impact of DCTs on competition between suppliers of the services they compare**

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**Q14: 5. What factors influence suppliers' use and choice of DCTs and why?**

Supplier's choose a DCT in energy purely on the basis of volume deliverable. The Big 6 will actively disengage from DCT's that cannot provide substantial volumes. [X]. Unfortunately this reinforces the giants and dwarves phenomenon in energy (we can't speak for other sectors). [X]

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**Q15: 6. To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them?**

[X]

**Q16: 7. How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers?**

[X]

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**Q17: 8. What are the barriers, if any, to DCTs increasing competition between suppliers, and how can these be overcome?**

Whole of market leads to homogenisation of services and a default position of only competing on price; which actually plays into the hands of the incumbency at the expense of the unengaged majority. Without WOM then commercial agreements could be struck that work in the favour of boutique or niche suppliers; or emergent suppliers, and prefiltered displays could enable DCT's to add some qualitative value to their displays - for example length of contract contextualised in wholesale market conditions. But in WOM you cannot display a 3 year deal prominently unless it is an

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exclusive and even then the grounds for doing so are grey. Nor can we opt to group suppliers according to criterion. [3<] So too is the industry data; which punishes the incoming supplier with objections and failed registrations and does nothing to penalise incumbent suppliers when the data on their own customers is wrong and left uncorrected

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**Q18: 9. In what ways, if any, have DCTs changed suppliers' approach to consumers - for instance in terms of whether they treat consumers who use DCTs differently to those who do not?**

There is no difference, as far as we are aware, regarding how a supplier will treat a DCT acquired customer from a non DCT acquired customer - at least not in the energy sector. But we don't have enough volume nor have we done any survey work that would enable a statistically significant conclusion to be drawn.

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**Theme 3: Competition between DCTs**

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**Q19: 10. In what ways do DCTs compete with each other -for instance in terms of coverage, the savings consumers can make, the services they provide, their ease of use, transparency and how they protect consumers' data?**

DCT's in the energy space compete on coverage of suppliers only in as far as the Big 6 are concerned. The largest DCT's - Uswitch and MoneySupermarket, probably have less absolute coverage than many of the others [3<]. This is because the Big 6 are the easiest to sell (Brand recognition), [3<] and the smaller suppliers can't or won't deliver against those parameters. WOM effectively means we cannot compete on the basis of savings offered - unless we can get an exclusive or a collective switch and that is often or in the case of the Big 6 always a function of the volume you can deliver. The whole point of WOM and OFGEM's approach has been to force DCT's into being carbon copies of each other - and the confidence code reinforces that. Again we can't speak for other categories. Ease of use is no doubt indirectly competed on but obviously the more categories you compare the more this plays into a consumers thinking. There is no evidence that I am aware of that DCT's compete on transparency in energy - we are all forced to be fully transparent anyway - DCT's do not view transparency as an important differentiator in my experience; which in the case of the larger guys is no doubt based on focus groups and market research rather than just anecdotal evidence. And as for customer data; I seriously doubt that this plays any part in differentiation whatsoever.

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**Q20: 11. What factors influence how effectively DCTs can compete - for example, whether they can secure the necessary consumer data, supplier information or other data?**

All of this effects not only how effectively DCT's can compete but also how well the switching process goes for the customer and therefore whether or not there is a positive feedback loop around switching in the energy market. The more consumer data we have access to the easier we can make the process for consumers; and this is important because the biggest challenge in the industry is the one regarding apathy; so anything we can do to make the switching journey less onerous is worth attempting. And therefore; assuming we had the permission to access the data and the repository of data there to access then this could form a point of differentiation for DCT's

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**Q21: 12. If there are barriers to competition between DCTs, how significant are these and how can they be overcome?**

These are significant because of the dominant commercial and marketing power of the big 5 DCT's coupled with a dominant suite of energy suppliers [3<]. Whole of Market massively exacerbates the homogenisation of product and service leaving commercial terms and marketing clout (for this read budget and therefore spend) as the only differentiators and therefore the playing field is asymmetrically skewed in favour of the larger players.

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Theme 4: The regulatory environment

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**Q22: 13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?**

OFGEM appears to be extremely reluctant to enforce the WOM determination from the CMA. The objective of OFGEM would appear to be that rather than have 95 consumers significantly better off and 5 consumers possibly worse off or neutral; they would have 100 consumers seen to be protected but no better off than they were before. It would suggest that political expediency and the old adage of "being seen to do something" is significantly more important than the outcome. The confidence code, the self regulatory part of a DCT's engagement with the energy market, provides no benefits to a DCT and indeed 3 of the largest DCT's have actively opted to avoid being direct participants; choosing instead to white label another provider's engine. The biggest issue with the code lies in the fact that it is used as the means with which to force DCT's into line with OFGEM's world view. [✂]

**Q23: 14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?**

DCT's have, in the main, been set up as transaction vehicles. It would be a stretch to suggest that they attempt to provide any support service beyond the transactional activity of taking in and conveying the data needed to switch. [✂]. Nonetheless consumers are, to my knowledge, well protected when they use the services. As to competition; I have outlined the problems with that elsewhere in the submission.

**Q24: 15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?**

Yes. The safety first policy of OFGEM which reduces everything to the lowest common denominator of insulating the consumer against anything at all that might be to the detriment of any of them simply kills competition and innovation and doesn't meet their principle objective of increasing competition overall. Rather it maintains the status quo. The fact that they do not actually listen to DCT's - adopting a position of guilty until proven innocent when formulating policy positions, leads to all sorts of unintended consequences and the significant roll back of huge swathes of RMR by the CMA is testament to that. They also need to listen to experts and not just to the voices that shout loudest and most often; always with an eye on the soundbites and headlines and political permutations. It would help them if they actively engaged in understanding the commercial incentives and drivers in the industry rather than to pretend that policy makers and regulators are above understanding and considering such grubby incentives.

Future developments, other comments and further contact

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**Q25: 16. Finally and in relation to all of the issues above, what likely developments over the next three years should we take into account and why?**

The advent of Smart metering, smart grids and therefore smart tariffs, the advent of Demand Side Response, the growing availability of home generation units, the internet of things, delegated authority being given by consumers to allow third parties to take supplier allocation decisions on their behalf under controlled parameters and conditions, increased presence of disruptors in both the energy supply and comparison space; increased need for subject matter expertise rather than transaction based delivery; the possibilities availed by Big Data and the API's that will communicate with and interrogate that data. All of this will have a fundamental impact on the industry and how it acts on behalf of the consumer to support them in their decision making; and will undoubtedly entail significant reskilling and rethinking the way in which energy specifically (although I am sure swathes of this will apply to other verticals) is compared and supported in the future.

**Q26: Do you have any other comments you would like to add?**

*Respondent skipped this question*

**Q27: Would you be willing for us to contact you to discuss your response?**

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Yes