

**Ofgem – working with energy
suppliers to conduct RCTs
UKCN June workshop**

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Summary of presentation

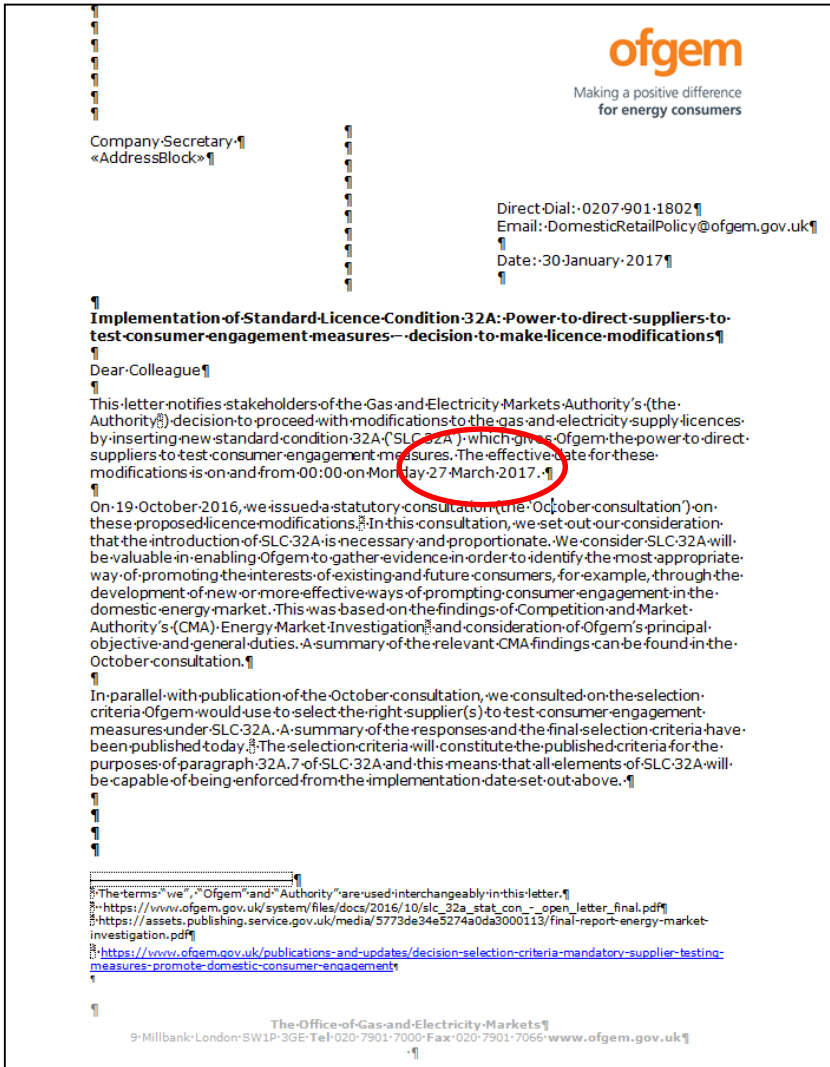
Beth Moon is the Head of the Behavioural Insights Unit at Ofgem which was set up following the CMA energy market investigation. A social researcher by background, she has previously worked in research roles at Ofgem, the Department of Energy and Climate Change and the Office for National Statistics.

This presentation was given by Beth at the fourth workshop of the UKCN Consumer Remedies project held at the CMA on 22 June 2017. The second half of this workshop was focussed on working with regulated companies.



- Following the CMA energy market investigation Ofgem have:
 - formed a new Behavioural Insights Unit
 - embarked on a new programme of work to identify and test new ways of engaging consumers in the energy market
- Programme to include ‘Ofgem led’ and ‘Supplier led’ trials
 - Our first Ofgem led trial is currently in the field
 - For supplier led trials we will shortly publish guidance

SLC 32A: Power to Direct Suppliers



- Following a consultation new powers came into effect on the 27th March 2017
- The new licence condition gives us the power to direct suppliers to conduct trials
- Selection Criteria will be used to identify and select suppliers who may be issued with a 'direction'
 - Customer base
 - Capability and proportionality

The positives..

- We now know a lot more about how energy suppliers operate – who is who, how they work etc.
- We have learned a great deal about energy suppliers' systems and what they know about their customers
- The licence condition acts as a backstop to ensure that trials get to the field
- Suppliers have been cooperative in giving us access to their customers – for the trial and for qualitative follow up research

The challenges..

- Mixed level of capability among suppliers
- Suppliers' understanding of RCT methodology
- Suppliers don't always hold as much data as we had assumed. Lack of transparency around their systems and data
- Long lead times for systems changes
- Involvement of third parties brings additional challenges
- Striking a balance between burden on suppliers and robustness of the trial

1. Do not assume anything!
2. Identify the right individuals in the regulated companies at the outset
3. Investigate suppliers' systems and data availability more closely before choosing a supplier to work with
4. Be much clearer up front about the data that is needed at every stage of the trial
5. Invest in good project management

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We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.