


Submitted via email to:
sustainabilityadvice@cma.gov.uk



Monkton Park Offices,
Monkton Park, Chippenham,
SN15 1GH

 goodenergy.co.uk

 hello@goodenergy.co.uk

 0800 254 0000

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Dear Competition and Markets Authority,

Good Energy's response to the CMA's call for inputs: Environmental sustainability advice to government

Thank you for the invitation to respond to the call for inputs to help inform advice the CMA will provide to government on how competition and consumer regimes could better support the UK's net zero and environmental sustainability goals.

Good Energy supplies 100% renewable electricity and carbon-neutral gas to homes and businesses across the UK. Good Energy is working towards a renewable future, helping to support technologies including wind, solar, biofuel and tidal. Our purpose is to power the choice of a cleaner, greener future together.

For the purposes of our response, we have answered the three questions posed directly by the Secretary of State.

1. If, and how, do current competition and consumer legal frameworks constrain or frustrate initiatives that might support the UK's Net Zero and sustainability goals?

The CMA's consumer protection powers, and in particular the enforcement action available, is a significant current constraint for achieving the government's environmental goals.

Unlike the CMA's competition powers, which through the Competition Act 1998 are extensive and allow for thorough enforcement action to be taken, the CMA's consumer powers are comparatively much weaker.

For example, enforcement action at the moment is often a very lengthy and drawn-out process via the civil courts, meaning in only but a few cases are the CMA able to take meaningful action to protect consumers.

We welcome the Green Claims Code recently published by the CMA. However, if there is not an appropriate body to enforce and ensure compliance by businesses across the economy, it is unlikely to deliver the necessary protections that consumers desperately need.

2. Are there changes to the UK's competition and consumer law that would help to achieve the UK's Net Zero and sustainability goals?

There are a number of available options to Government, however we believe the two options below would be low regret moves that could be brought in relatively quickly to assist with helping achieve the wider net zero goals.

- **Strengthening the CMA's consumer protection powers** – following on from the earlier answer, we believe the CMA's consumer protection powers need to be strengthened to be at least a minimum equivalent to their current competition powers toolkit.

This has been called for by the CMA themselves and also John Penrose MP, in his recent publication – *Power to the People*.¹ Following the recent publication of the Green Claim Code, it feels right that the CMA should be the body who is able to oversee consumer protection.

Consumers need a body who will be able to take swift, meaningful action against companies who undermine and misinform the public. Failure to do so could see trust erode from consumers, at a time when their role in the net zero transition is as critical as ever.

- **Joined up approach** – we hope to see the CMA's consumer protection powers strengthened but also recognise that protecting consumers will need successful collaboration with other bodies such as the ASA, CAP and BCAP, as well as sector specific regulators.

If we fail to have a joined-up approach, this could lead to the introduction of several subtly different approaches from multiple bodies – ultimately creating more confusion for consumers.

We need clarity and consistency from the agencies with most responsibility for overseeing green claims made by businesses. This will go a long way to ensuring trust is gained, not lost from consumers at the start of this journey to net zero emissions by 2050.

Are there other opportunities within the UK's competition and consumer policy toolbox that would support the UK's Net Zero and sustainability goals, which the government should be considering?

We have already highlighted what we believe to be the most immediate and effective solutions the government can take to support the wider sustainability goals.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/961665/penrose-report-final.pdf



However, there is another option which could be deployed, especially in the wake of recent publication of the Government's Net Zero Strategy.

There could be a role for the creation of a 'Net Zero Watchdog', which could have responsibility for monitoring and overseeing claims made by businesses, right across the economy. Made up from a body of leading independent experts, the creation of such an organisation could help gain consumer trust by providing fair, impartial assessment of any breaches that inhibit our legal commitments to reach net zero by 2050.

Finally, there could also be a role for organisations to fill the gap for consumer education and protections for net zero. Recent examples include USwitch², who launched a green accreditation scheme for energy tariffs - verified by a panel of independent experts. Other trusted organisations, such as Which? also play an important role and could be used effectively as part of a wider consumer policy toolbox.

I hope you have found our response helpful. If you would like more information, or have any questions about our views, please do not hesitate to let me know.

² <https://www.uswitch.com/gas-electricity/green-energy/green-accreditation/>