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To the CMA

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Submitted by email only misleadinggreenclaims@cma.gov.uk

OVO Energy's response to the CMA consultation on green claims

About OVO

OVO is a collection of companies driving progress to net zero carbon living through harnessing clean, affordable energy for everyone. Across the group, OVO serves nearly 5 million customers with intelligent energy technology solutions to decarbonise homes. Founded in 2009 by Stephen Fitzpatrick, OVO redesigned the energy experience to be fairer, greener and simpler for all. Today, OVO is on a mission through its sustainability strategy, Plan Zero, to tackle the most important issue of our time - the climate crisis. This includes our commitment to achieve net zero emissions across our operations and support our five million members in eliminating their household emissions by 2030.

Consultation response

OVO welcomes the opportunity to respond to the CMA's consultation on its draft guidance on environmental claims on goods and services.

Overall, we agree with the principles of fairness, transparency and fair competition. We support the publication of this guidance, which will further help businesses make environmental claims that are not misleading for consumers. We agree that the CMA principles outlined in the guidance are appropriate for marketing involving environmental claims in general.

The consultation document asks a specific question about whether any sectors require special treatment either in the draft guidance or separately.

In response, we would like the CMA to consider how the guidance is applied to the energy sector. The draft guidance document includes a case study on the marketing of green energy tariffs. Whilst we agree that the CMA principles apply to marketing claims made about green tariffs, we feel that defining a 'green tariff' itself is specific to the energy industry and as such is an activity that BEIS /Ofgem should determine (for example, through the upcoming consultation on Green Tariffs as foreshadowed in the government's Energy White Paper). More explicit wording could be added to the case study to clarify that the case study does not intend to determine what can or cannot be considered a green tariff.

In addition, we think the CMA should explicitly recognise that the term 'green' has an established meaning in the energy sector and that it is appropriate for the word 'green' to be applied to describe renewable energy. We agree that in contexts other than renewable energy the use of the term 'green' is broad and unclear, and hence problematic for Principles A and B. We feel that adding explicit wording to recognise the appropriate use of the term 'green' in relation to renewable energy is needed in the guidance document. We note that the guidance document already outlines guidance for the appropriate application of the word 'organic' in the food industry, which provides a helpful template for clarifying when the use of 'green' is suitable in the energy sector.

END

Should you have any questions or would like to discuss our response bilaterally please feel free to contact us at [✂] [REDACTED]

Kind Regards,

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