

BEIS opt-in switching and testing opt-out switching consultation

Citizens Advice response



Summary

The challenge of addressing unequal outcomes in the energy market for loyal consumers is one we have sought to highlight and address for many years in our role as statutory consumer advocate. The Competition and Markets Authority (CMA) found at the conclusion of its Energy Market Investigation that people were paying around £1.4 billion a year more than if the market was working properly. We advocated for the introduction of the current default tariff price cap by the government, which sees 15 million households protected against unfair pricing. We set out our views on the various policy models that could succeed, or run parallel to, the price cap in our discussion paper "[*When the cap no longer fits*](#)", including the key policy choices and trade-offs.

Building on that paper, we think opt-in switching offers a solution which has a strong evidence base and can - when carefully designed - reach segments of consumers who would otherwise continue to remain on default arrangements. This particularly includes digitally excluded consumers who can't switch easily online, and those in the private rented sector who can face more limited switching windows when first moving into a property. This would represent a relatively incremental change to current market arrangements, albeit an important one to reduce barriers for certain consumers.

Opt-out collective switching is a far more challenging proposition, with fundamental questions over consent and consumer choice. The benefits for participants overall could be significant, however as the consultation acknowledges, substantial practical issues would need to be addressed and the concept thoroughly tested before it could be considered as a viable mass-market option for implementation. Taking powers to test this option on a small scale is logical in the broader context of introducing opt-in measures. Trialling is a prerequisite ahead of further design and rollout in order to better understand consumer experience. However, we think this is an option BEIS should proceed with carefully, and keep under close review before beginning testing.

The recent, unprecedented rise in wholesale prices, subsequent withdrawal of attractive acquisition tariffs, and failure of many suppliers should rightly lead to a period of reflection on the wider retail energy strategy. These events pose a challenge to the proposed switching based policy solutions in particular. However, as conditions change and acquisition deals return to the market, the detrimental outcomes experienced by loyal customers are also likely to re-emerge.

In the absence of fundamental market reform, we still expect switching to play an important role in the future energy market. In recent engagement with energy stakeholders, we are also not aware of any credible alternative approaches that would enable wider participation by consumers who currently struggle to do so.

A more consolidated market may increase the risks of disengagement, given that large and incumbent suppliers have historically done a poor job of engaging their own customers. An opt-in scheme should incentivise them to do more to engage their customers to prevent them from coming into scope of the scheme, and offer easier access to the market for consumers.

Some stakeholders have warned of a race to the bottom if new switching schemes are introduced. We think this is an important risk - but one that already exists in the current market, and that has somewhat played out in the experience of consumers using auto-switching services. It is important that this risk is managed carefully ahead of introducing and scaling up a new switching scheme, with key steps including:

- Taking appropriate account of customer service in scheme design, with clear information on performance to consumers as part of an opt-in scheme to aid their decision-making, and minimum standards in any opt-out trials.
- A level playing field, with all but the very smallest suppliers participating in schemes like Warm Home Discount and ECO.
- New Ofgem and BEIS rules on credit balances and Renewable Obligation payment in order to prevent risky and unsustainable pricing.
- Appropriate Ofgem rules to ensure consumers are protected, and a compliance and enforcement framework that swiftly tackles bad practice.

Some of these changes are already in train, but have taken on new urgency after the recent market turmoil, while some aspects need further attention.

The impact of the policy proposals on net zero-focused propositions will also need to be carefully considered. In the longer term, suppliers are often keen to stress that they want to offer energy deals which bundle low-carbon technology or services, and which by their nature will require a longer-term commitment.

We agree it's important that low carbon propositions are supported by these proposals. For many disengaged consumers, switching via an opt-in scheme could be the first step in an engagement journey towards choosing a low carbon energy service. An opt-in intervention could also support consumers to make greener choices, for example by displaying clear information on the green benefits of tariffs.

However, we're sceptical that long-term or hard-to-reach consumers who are disengaged will rapidly move to low carbon services, given the key barriers we've previously identified in our research. New technology like an electric vehicle or heat pump could be more effective in spurring engagement - but for many, and particularly those on lower incomes, these are likely to still be many years off. These consumers are likely to continue to purchase energy as a commodity into the medium term. It is vital that they have easy routes to engage and access lower-cost options.

Opt-in collective switching

1. Are there any other measures you think the Government should consider to help address the factors that have caused a loyalty penalty?

We agree with the stated outcomes that all consumers should receive competitively-priced energy and that consumers in vulnerable situations, who can face particular barriers to engaging with the market, should have protections appropriate to their needs.

However, we would also highlight groups whose particular characteristics place them at disadvantage from the loyalty penalty. For example, those in the Private Rented Sector (PRS) often face restricted choices, or having choices made for them by a landlord or managing agent. A recent survey for Citizens Advice revealed that 5% of those in the PRS had their landlord managing the energy and sending a bill or charging via a sub-meter, while an additional 9% of respondents¹ said their landlord managed the energy and included it in their rent. Extrapolated across 4.5 million households in the PRS this equates to approximately 630,000 households not actively making a choice over their supplier and therefore being loyal to a supplier not chosen by them. Ofgem's most recent consumer engagement survey shows 39% of renters had never switched supplier, compared to 22% for owner-occupiers.²

While Maximum Resale Price protections may limit the amount landlords are able to recharge to a tenant, the incentive for finding the cheapest deal when not directly paying the bill is limited. Given the importance of energy in the move to net zero and the increasing complexity likely to proliferate in the sector, we would advocate that tenants have a right to take control of their energy supply where they are not the current billpayer, and greater enforcement discouraging provisions in tenancy agreements where the tenant is the billpayer, but cannot switch without the consent of the landlord.

Furthermore, as referenced in the consultation, a group whose characteristics exacerbate the loyalty penalty impact are the digitally disengaged. Ofcom recognises that even with the impact of the COVID pandemic acting as a catalyst for increased internet use, 6% of households still did not have access to the internet in March 2021³, with a wider group having only narrow digital skills.

¹ ICM Unlimited surveyed a representative sample of 6,001 adults living in the UK. The sample has been weighted to the profile of all adults aged 18+ in the UK and is weighted by age, gender, region, social grade, work status, and ethnicity. Fieldwork took place between 25 March and 9 April 2021

² [Consumer Survey 2019](#) (2020) Ofgem

³ [Adults' Media Use and Attitudes report](#) (2021) Ofcom

Citizens Advice has consistently highlighted the need for energy sector participants to maintain an offline route of communication⁴ with only a minority of price comparison websites offering a phonenumber and some suppliers moving to online-only offerings, thereby limiting choice and building a presumption for staying with the default for those not online.

Overall, in addition to the whole-of-market remedies proposed through the opt-in/opt-out proposals, we believe there is scope for specific interventions such as right to supply for renters, and non-digital access to the supply market, which could also in a more targeted way help address the loyalty penalty and promote positive outcomes such as greater competition and lower prices.

2. Do you agree with the proposed scope of tariff targeting?

Yes. Overall we agree with the proposed scope of tariff targeting, and it is sensible for more specific targeting decisions to be left to secondary legislation and implementation to ensure flexibility. Tariffs that consumers have not expressly agreed to be placed on is an appropriate starting point as no active choice has been made by the consumer.

Evergreen acquisition tariffs where a consumer has made an initial choice to switch to should also be within scope, but potentially with a an in-built delay before they fall within the scope of the opt-in switching mechanism - consumers who have made an active choice weeks before to switch to an evergreen supply would be inappropriate candidates for example. A time-limit of a year before these consumers became eligible may be appropriate as comparable to the length of many fixed-deals.

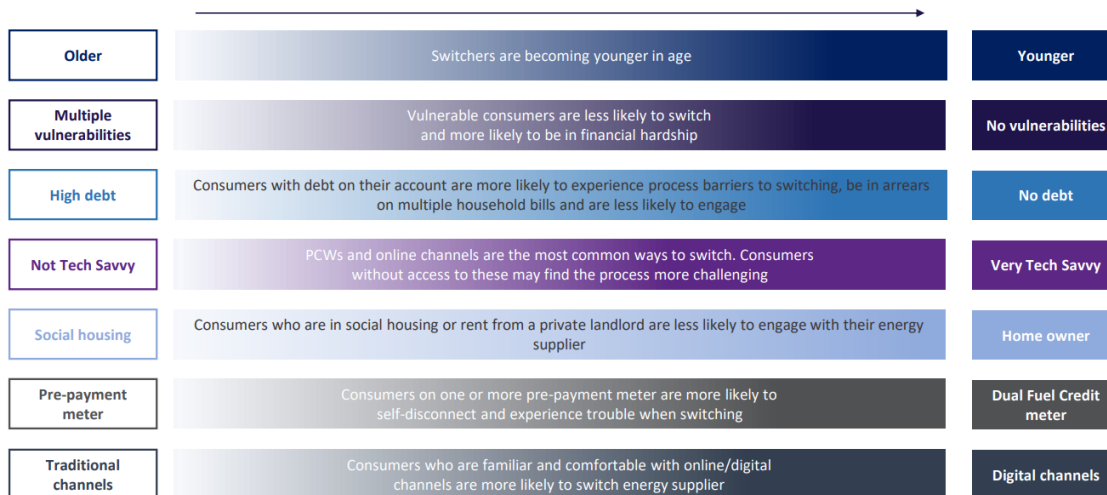
3. Which consumers do you think are more likely to be disengaged with the retail market, for instance due to their circumstances or duration on a default tariff?

As referenced in Q1, those in the rented sector face particular challenges around control of their energy supply, while those who lack digital access or skills face limited choices both in tariff and ability to compare tariffs. Additional groups identified as facing specific barriers to engagement through switching in the retail energy market are included in the below graphic from research⁵ Citizens Advice collaborated on last year with Accenture and the Data Communications Company.

⁴ [Why energy suppliers need to keep their customer phone services](#) (2018) Citizens Advice

⁵ Consumer Perspectives (2020) Accenture. Research included a quantitative online survey with 976 vulnerable consumers using a crowdsourcing platform, qualitative interviews with Citizens Advice advisers and an online survey with 300 consumers to better understand their motivations, drivers and barriers to switching energy supplier and tariff.

There are a number of factors that span across all persona groups that influence the consumer propensity to switch:
Likelihood to switch



This mirrors findings in quarterly consumer perceptions of the energy market research that Citizens Advice has conducted jointly with Ofgem since 2018. The most recent wave in Q2 2021 of this research⁶ finding compared to an overall market figure of 64% use of PCWs, those least likely to use a price comparison website to help them switch included:

- Those paying by PPM (39%)
- Those aged 65+ (57%)
- From C2DE social grades (59%)
- Those who have a long-term illness, physical or mental health problem or a disability (58%)

As identified in the consultation, prepayment customers face particular challenges around a lack of choice in the market. Price comparison website research shows that even before the current circumstances, in June 2020 there were 283 tariffs available for non-prepayment customers but just four fixed prepayment meter tariffs for customers to switch to⁷.

Finally, those with lower incomes are also more likely due to their circumstances to be less likely to be able to engage in the market. Citizens Advice estimated in August 2021 that nearly 2 million households⁸ were already behind on their energy bills, even before the new energy price cap rise planned Universal Credit cut had taken effect - an increase of around 410,000 from prior to the pandemic. Households in debt with credit meters are as a rule unable to switch without paying off the balance of their account. Given the broader affordability challenges affecting households, this means over the

⁶ [Consumer Perceptions of the Energy Market Q2 2021](#) (2021) Ofgem

⁷ [Prepayment Energy Customers Overpaying By Nearly £90 Million A Year](#) (2020) Compare the Market

⁸ [2.3 million will be pushed into the red by Universal Credit cut](#) (2021) Citizens Advice

short-term an ever growing proportion of households will be locked out of choice in the energy market. We discuss this further in response to questions 45 and 46.

4. Do you think that an opt-in switching scheme should focus on, or prioritise, targeting consumers who have been on a default tariff for longer durations? Please specify if you think any particular duration is appropriate.

In general, we agree that those who have been on a default tariff longer are more likely to be disengaged. Consumers who have been on default arrangements for a number of years with no engagement with their supplier are naturally more disengaged than those who have made an active choice in a timescale of the last few months.

However, this does not apply in all cases. Many renters move regularly, and more than half have lived in their property for two years or less, and as set out above are less likely to switch.⁹ They may register in a supplier's systems as a new account, but will have made no active choice as to their supplier or tariff. As such they could spend years on default tariffs across different properties without coming into the scope of the scheme.

Another group of consumers who may not be captured are those who have gone through the Supplier of Last Resort process or a supplier takeover. These customers could have been disengaged with the old supplier for some time, but will have been with the new supplier for a much shorter period, despite not making an active choice. To ensure people in these groups benefit from the scheme, all consumers who never made an active choice of contract could be included after a shorter period - or regardless of contract length.

5. Do you agree that an opt-in switching scheme should not target consumers based on the price they pay for their existing default tariff?

Yes. This is likely to have little impact, as currently the case that most suppliers price their default tariffs at, or near, the level of the price cap. We also agree that it is challenging to determine at which price a consumer is not suffering detriment from being on a default tariff, and in practice any attempt to set such a threshold could become another price around which suppliers cluster. Therefore targeting consumers based on the price they pay for their existing default tariff would be inappropriate.

It is also important to note there are important non-price factors from which a consumer can benefit from engagement, including better customer service and moving to a greener tariff. However, we agree that practically where the opt-in scheme cannot offer a better price than the default tariff a consumer is on, then the scheme is likely to have limited impact as an information and engagement tool. It may also be efficient to exclude consumers who will only see very small savings from switching.

⁹ [English Housing Survey Private rented sector, 2019-20](#) (2021) DLUHC

6. Do you agree that an opt-in switching scheme could be effective at creating new competition and market engagement in the PPM tariff market? Are there any PPM market considerations we should take into consideration?

We agree that the opportunity to more easily engage with a wider number of consumers could bring valuable competition to a segment of the market where it is currently low. For that reason we agree there would be particular merit in targeting the scheme at consumers who prepay for energy.

However, as the Ofgem engagement trials excluded prepayment-meters, there would be value in piloting the opt-in switching approach with these consumers before applying it more widely.

There are also some barriers faced by customers who prepay that may need to be addressed. For example, customers need to swiftly receive a new card or key to top up their meter to ensure they are able to top up with the new supplier. As part of Ofgem's faster, more reliable switching reforms suppliers will need to ensure these are provided in line with the new minimum switching time of 5 working days.

Customers with smart prepayment meters also need to manage the fact that at the point of their switch any credit they have is not retained on the meter, unlike with traditional prepay meters, but is instead refunded by the losing supplier. This can leave consumers out of pocket in the short term, or mean that they need to wait to run down the credit on their meter before switching, which can act as barriers, or lengthen the switching time frame considerably. There have previously been industry proposals to enable credit to pass between losing and gaining suppliers, which would eliminate these barriers, although these have not been taken forward.

A testing and learning approach could identify how significant these issues are and how they can be appropriately mitigated through scheme design or system changes.

7. How do you think we should approach batch sizes and frequency? Do you agree with our proposed incremental, test and learn, approach to introduction?

We agree with the overall approach that batch size and frequency should not be prescribed at this point of considering the framework of the policy.

In principle, initially starting small and incrementally learning from outcomes - including from auctions if a collective switch approach is used - would allow detriment from unintended consequences to be minimised.

The impact of batch-size on the wider stability of the market must also be considered. While Faster Switching and the introduction of the Central Switching Service will introduce the technical ability to handle a higher volume of switches, internal processes such as forward purchasing of energy against an expected customer base means

significant advanced visibility of batches both in participants and size would likely be beneficial across the market for both gaining and losing suppliers.

8. Do you think that each batch of the opt-in switching scheme should target all energy suppliers or should batches focus on subsets of suppliers?

As this question largely concerns the impacts of internal administrative costs of suppliers we do not have a strong view.

It is to be expected that larger historic incumbent suppliers with a higher volume of disengaged customers will more frequently participate, but we agree that an approach based on large batch sizes from a single supplier could be destabilising.

The policy should benefit disengaged consumers whichever supplier they are with, and as such smaller suppliers should be subject to the targeting, probably at an aggregated level with a number of smaller suppliers at once.

9. If batches focus on subsets of suppliers, on what basis should suppliers be prioritised for targeting?

We agree that this should be determined at a later stage, but initially support the view that suppliers with the deepest customer disengagement could be prioritised, whether in terms of the numbers of disengaged customers or how long they have been disengaged for.

10. Do you agree that the framework should allow for flexibility so that the policy lead (the Government and/or Ofgem) will be able to choose what type of prompt is used? Do you have any comments on the prompt options described, or any other methods?

We agree that given the merits of both approaches, and their proven success through Ofgem's collective switch trials, both options should be available to be used in the final scheme design, with the test and learn approach determining whether one method is more successful generally, or with different consumer segments more.

For example, as discussed, given the lack of competitive prepay deals on the open market, a bespoke tariff may offer the best option for this group, whereas for other consumers an open market model would offer the benefits of the choice already on the market.

Overall we think a collective switch approach will have a bigger impact on the market, and will need additional care in order to ensure good outcomes and avoid some of the risks seen with auto-switching activities.

The approach removes the ability to present consumers with a range of deals, with different levels of customer service or green characteristics. As such minimum standards in the auction may be required to prevent suppliers from bidding at unsustainably low prices, as well as checks to ensure that winning bidders are well set up to accept a large number of customers.

Some of the same benefits of the 'exclusive' nature of the collective switch approach, could be achieved if suppliers were able to offer exclusive tariffs via a market-based approach, similar to exclusives they currently offer via price comparison websites. However, we recognise there are concerns that these exclusives can prevent existing customers accessing better deals as they are not prompted to consider them via cheapest tariff messaging.

Half-hourly settlement - set to be implemented from 2025 - creates further challenges, particularly for collective switches. To get the best outcomes from an opt-in scheme, consumers should be offered deals which give them the biggest savings, including those which incentivise energy usage at efficient times. Estimated costs will be more personalised based on the customer's current consumption profile, and this will need to be reflected in the market offers shown, to avoid a reputational risk for the scheme if these consumers do not see promised savings materialise due to an inaccurate forecast of their price.

For collective switches, suppliers may be unwilling to offer quality bids without understanding the profile of the customers they are bidding for, and whether they have opted out of data sharing for half hourly settlement purposes. Consumers may need to be batched based on their consumption profile, with poorer price outcomes likely for customers with more usage at peak time, and without a clear explanation or incentive to shift usage unless the winning tariff is based on time of use.

We know from our previous research that consumers on traditional time of use tariffs often don't understand how to benefit from them¹⁰, and that at least initial reaction to the concept of smart time of use tariffs can be hostile.¹¹ Communications on these tariffs will need careful testing to ensure tariff choices are well understood. Access by the Delivery Body to half-hourly consumption data will also need to be considered, with appropriate consent in place, to generate accurate cost estimates.

11. Do you think a Government Company/public model or a commercial model should be used for the Delivery Body(ies)? If a commercial body is used, do you think that a fee or commission based approach would be better? Are there any other models you think we should consider?

¹⁰ [False Economy](#) (2018) Citizens Advice

¹¹ [Future for All](#) (2019) Citizens Advice

The model of the body responsible for the delivery of the policy is one where both options have positives and negatives and the arguments are finely balanced.

The template of the Ofgem collective trials is one where a commercial PCW site led the delivery and achieved positive outcomes, especially compared to the control groups and without evidence of consumer detriment being experienced. There are also clear benefits to having an organisation which is experienced in the market in delivering a similar function both in the speed and quality of delivery such an approach could deliver.

As an enduring function though, the delivery of the scheme would put the body in a position of considerable power, particularly if it were through a single organisation delivering the opt-in and/or opt-out service. Ofgem's learnings from following up customers from the Collective Switch trials showed those who agreed to energyhelpline marketing were 14 percentage points (73% compared to 59%) to more likely to subsequently switch. This is both a positive outcome for consumers but in a more enduring format does show the tension of competition concerns if one company had an effective monopoly over opt-in consumer contact data, and when and how those consumers were prompted to switch. We also have concerns around consumer protection if a commercial entity is used, which would need to be managed via regulation or in contractual relationships with the body. We discuss this further in response to question 14.

The inverse arguments are true of a government or Ofgem-controlled entity delivering the switching service. It would be more independent and free of commercial incentives that may misalign to consumer interest - for example, if based on a commission model, there may be risks of pushing consumers to switch where it may not be in their best interest. However, such a model would take longer to establish and may be less cost-effective if systems and expertise have to be acquired from a standing start. It may also displace commercial switching providers through its privileged position in the market. A government-controlled price comparison entity would not be without precedent however. Indeed, the European Commission reports that at least 15 of 27 member states have comparison tool websites run by a national authority.¹²

Overall, a more thorough outline of the costs and timescales through an impact assessment, as well an assessment of the competition risks identified by industry through this consultation would in our view be necessary before taking a position.

12. If a commercial based framework (either through commission or a fee) is selected, a) to what extent do you think there will be competition risks? b) to what extent do you think the competition risks should and could be mitigated? c)

¹² [Comparison tool websites run by a national authority](#) (2021) European Commission

what are your thoughts on the listed options of mitigation? d) how else might competition risks be mitigated?

We agree that through a commercial model there are potential competition risks, giving a commercial delivery body potential advantages over rivals both from a perception of being “government approved” through delivering the scheme conferring legitimacy benefits, access to a potentially guaranteed revenue stream denied to competitors dependent on scheme design and through access to consumer data necessary to the delivery of the scheme.

The use of multiple delivery bodies has clear advantages in avoiding a monopoly, and also has potential service benefits - for example, a delivery-body that has a clear track record delivering positive outcomes for prepay customers could design and operate a bespoke scheme for those consumers which given the unique circumstances of that market segment could have benefits.

The capping of commission would, in our view, form a natural part of the tendering process. Commission levels for switches through price comparison sites and other intermediaries can be high, often accounting for advertising costs for the service. There have been concerns that this can already lead to higher costs for disengaged customers, and even to the system overall¹³, although these findings have not been supported by other analysis.¹⁴ Under this model we would hope to see much lower commission levels as advertising costs should be removed. Although the service will need to account for the cost of direct marketing in the forms of the communications about switching options, as well as the provision of telephone switching options which are likely to be more expensive. Commission costs should also be reduced by designing the scheme in the most efficient way, by making prompts as effective as possible and targeting customers effectively. Competition between providers could help create incentives for more efficient delivery.

The creation of an at-arms length entity spun off from an existing PCW or TPI could also offer mitigation over competition concerns. This would ensure that expertise, and potentially systems, can be harnessed to swiftly establish the Delivery Body, but that insights unavailable to a competitor aren't shared with the wider business and prevent enduring advantages via re-engagement of previous switchers.

13. Do you think that appointing a Government Company (or another public body) as Delivery Body would help mitigate the identified competition risks? Do you think there are any competition implications from appointing a Government Company (or another public body) to this role? If so, how might these be managed?

¹³ [Price Comparison Websites](#) (2020) David Ronayne, University of Oxford

¹⁴ [Digital comparison tools study](#) (2017) CMA

As a non-commercial body, a government-or Ofgem-owned Delivery Body would mitigate competition concerns through not acting across the wider market in a profit-making model, although it may displace some switching activities that would otherwise have been done via other services, and could undercut commercial providers if its commission is significantly lower. On the other hand, this could drive efficiency from such services who have relatively high profit margins compared to other energy market participants.

Competition concerns arising from a Government Company or similar body could though be at risk of arising from a lack of adequate oversight from the sponsoring department or authority. A recent National Audit Office review of arm's-length bodies including Government Companies found 46% of business cases for new bodies submitted between 2016 and 2020 did not adequately consider the risk of delivering through their chosen model¹⁵.

14. Please provide views on the consumer protections we are considering. Are there other protections that we should consider?

It will be essential for consumer confidence and ultimately participation in any prospective opt-in switch scheme that a high standard of consumer protection is in place. One of the key benefits of the Ofgem trials was in reaching consumers who are digitally disengaged, with letter-based prompts and a high proportion of consumers opting to switch via phone channels. It is vital that this approach continues to be used in an enduring scheme, particularly for consumers who don't manage their accounts online with their existing supplier. Similarly, the main offers shown to offline consumers should reflect their current account management preferences, with very clear information if any deal will require a move to online account management which may not be suitable for them.

The nature of the products offered will also help foster wider participation. The consultation mentions exit fee requirements, which may be particularly impactful for private renters who often rent for a fixed period of a year. Renters can be put off from switching to fixed deals which don't align with their tenancy period, which can be the case if they don't get around to switching early enough after moving in. Lower exit fees would reduce this barrier.

Another important consideration is requirements with some tariffs for consumers to accept a smart meter. We support suppliers passing on the benefits of smart meters in the form of lower costs to customers, and are keen for an opt-in scheme to support the delivery of smart metering more generally. However, we know that some customers are also reluctant to accept smart meters. The decisions made by customers without smart

¹⁵ [Central oversight of arm's-length bodies](#) (2021) NAO

meters in response to the scheme should be tracked closely to understand what impact, if any, this is having. In order to support the scheme aims of getting customers onto better deals, there may be merit in also providing non-smart meter options in the scheme, depending on progress with the rollout at the point of implementation.

Payment method is another important consideration. Consumers are likely to see larger savings if they change to payment by Direct Debit from standard credit or prepayment. Similarly they may make savings by moving from offline to online account management, if this is something they're able to do. These options could be reflected in offers presented alongside the main offers, which we think should be on the basis of the consumer's current contract preferences, with further testing to determine how effective these prompts are.

The volume of switches that are likely to be processed means that customer service issues and complaints will inevitably arise with the activities of the Delivery Body. These consumers must be able to gain redress where complaints against the Delivery Body go unresolved. As identified in our previous work focusing on third-party intermediaries, the lack of Alternative Dispute Resolution (ADR) is seen by consumers as a significant concern¹⁶. Over 3 in 4 bill-payers we polled thought customers of TPIs should be able to take complaints to an ombudsman. Participants of qualitative deliberative research regarding consumer protection issues around TPI particularly found those in vulnerable circumstances valued an "easy and obvious route to redress".

We welcome the recognition of these issues in the BEIS call for evidence on Third Party Intermediaries, and we will respond to that with detailed views on options for future regulation. However, we think that regulation of such services would increase consumer confidence in using them, including via an opt-in scheme.

In the absence of TPI regulation, we would see it as essential that the Delivery Body(ies) are voluntarily accredited with an ADR provider, and that the contractual relationship with the Delivery Body ensures strong requirements around consumer protection.

As set out in previous questions, we also agree that a market framework based on a level playing field and which incentivises sustainable pricing is essential to prevent a race to the bottom, while high standards and strong compliance and enforcement are needed to ensure good customer service outcomes.

15. Do you think that the prompt should be administered by the incumbent supplier or the Delivery Body with the incumbent supplier's branding included on the communication? Do you think the identified challenges with requiring incumbent suppliers to provide the prompt to consumers can be resolved, if so, how?

¹⁶ [Stuck in the Middle](#) (2020) Citizens Advice

We welcome the intent that communications should include the incumbent supplier's branding given the comparative success of this approach in previous trials, and agree the consumer journey should be as simple as possible. If identified as essential to the operation of the policy, a licence obligation similar to SLC 32.A that requires compliance with the Ofgem engagement trials could similarly in theory help secure party compliance.

16. If the Delivery Body is chosen to send out the prompt, do you think that the proposed functions and the data required by the Delivery Body set out in Table 1 are appropriate? Are there any other data fields that you think should also be included?

As referenced in the answer to question 10, in future more granular consumption data will likely be required to generate an accurate quote for time of use and other smart tariffs that may offer the best deal for customers. Precedent exists from the BEIS smart meter-enabled tariffs comparison project¹⁷ for a government-sponsored comparison project to directly access consumption data from the DCC. This will need to be in line with data protection rules and with clear ability to opt-out, given our previous research on data has highlighted the importance to consumers of transparency and control in relation to using their personal data.¹⁸

17. Do you agree that participating consumers should not be followed-up outside of the scheme? Do you think that the framework for the scheme should include the Delivery Body following-up and re-prompting consumers who previously switched through the scheme?

We agree it would not be appropriate for the Delivery Body (if a commercial PCW) to encourage switchers to use their private services towards the end of the tariff.

However, the success of re-prompting in Ofgem's Collective Switch trials in engaging those who hadn't initially engaged suggests there would be merit to incorporating this into the scheme's design once it has sufficiently been scaled. Ofgem's findings demonstrating that when participants received a second collective switch intervention (6 months after the initial intervention) the switching rate increased from a control rate of 2% to 14%, demonstrating a cumulative effect of more than one prompt being received over varying timeframes.¹⁹

18. If the Delivery Body were to re-prompt such consumers, how do you think this should be designed?

¹⁷ [Smart meter-enabled tariffs comparison project](#) (2021) BEIS

¹⁸ [Clear and in Control](#) (2019) Citizens Advice

¹⁹ [Ofgem's Collective Switch trials](#) (2019) Ofgem

While not being prescriptive in our suggestions as to re-prompt design, it would ideally incorporate similar principles of a simple customer journey, inclusive design and include a personalised saving projection.

19. How do you think the opt-in switching scheme could link up with Midata or Smart Data more generally?

Not answered.

20. Do you have comments on how wider information law requirements should be considered in the design of the opt-in switching scheme?

See previous answers in relation to data privacy.

21. How might the opt-in scheme be designed to help facilitate reaching the UK's 2050 net-zero target?

In a market tariff based approach, the opt-in scheme should provide clear information about the environmental benefits of tariffs, and could include a 'green tariff' option if this is not among the cheapest deals available. We recognise the concerns around 'greenwashing' that exist regarding current labelling, and implementation of this aspect of the scheme should follow changes flowing from BEIS "Designing a framework for transparency of carbon content in energy products" consultation, which we will respond to in more detail.

In the assessment of which supplier is successful in a collective switch auction, the appropriate weighting could be given to whether the gaining supplier offered a green energy supply, whether measured by Fuel Mix Disclosure or accredited green tariffs under SLC 21.10. This could be done on the basis of data on general consumer preferences, including the level of premium they would be willing to pay to support renewable sources. Alternatively, consumers could be presented with two auction outcomes - one for a green tariff and one for a non-green tariff.

Opt-out switching

We welcome that the opt-out approach will be subject to testing before wider implementation is considered. The mechanism could, in theory, lead to a high degree of competition for new accounts and therefore lower prices for customers.

However, without active consumer choice, it is fundamentally impossible to know what a consumer wants. Incentives for consumers to engage with the energy market may be weakened, even as engagement is seen as more important to deliver lower carbon choices and access the best deal from personalised offers based on consumer behaviour.

There would also be wider market impacts as well, with risks that auction participants may price unsustainably to acquire customers, threatening the health of the wider market and delivering poor customer service outcomes. It could also limit the attractiveness of new entry, given the risks of rapidly losing a significant share of the future customer base. Finally, past research has also indicated consumer concerns with this model, particularly from those in vulnerable circumstances.²⁰ Testing is vital to understand how consumers respond in practice, as well as further separate work to understand the impact on market dynamics and our net zero aims.

22. Do you think that we have identified appropriate testing aims? Please specify if there are areas you do not think we should focus on or if there is anything you think we should also include or take into consideration?

Yes. The testing objectives overall are fairly comprehensive. We welcome that most aims focus on consumer experience and outcomes. We would place particular emphasis on the need to explore how the consumer experience is different for different consumer segments, with detailed identification work needed before any trials taking place needing to identify which group's experiences need to be measured. The consultation recognises that measuring consumer outcomes will likely require significant quantitative and qualitative consumer outcomes analysis. While planned to be initially small scale, sufficient base sizes will be needed in the initial trials to identify impacts on smaller demographic groups, for example people without good language skills who may not understand the communications they receive.

Building on the trial objective of understanding "how effectively will consumers understand what is happening/has happened?", we would add there is a more overarching outcome it will be essential to measure; how many participants were aware the trial was going on at all. Depending on trial design, if there is a comparatively short time-scale, for example 3-4 weeks there will be participants who due to circumstances, for example being in hospital or abroad, may miss any notification or communication.

23. Do you agree with our proposed approach to targeting? Are there any particular segments you think the testing should focus on or exclude?

We welcome and agree that any prospective testing should be initially small in scale and look to initially exclude those who may face undue detriment or complexity if experiencing negative outcomes from the trial - including those consumers on Warm Home Discount and the Priority Services register.

²⁰ [Pioneering policy making](#) (2019) Ofgem

Another group who it may initially be complex to include, but will need to be included in trialling at some stage will be those customers who have an asset or other service bundled into their energy supply. For example, under the Smart Export Guarantee (SEG) under scheme year 1 a total of 4,593 installations²¹ were installed, predominantly solar PV, with many consumers accrediting their SEG with their main supplier for simplicity. Feed-in Tariff rates similarly are linked with the main supplier. With bundled services incorporating low-carbon heat also expected to grow, separating asset and supply could raise particular challenges in the context of a non-voluntary supply shift.

The testing should also have appropriate safeguards around the inclusion of customers who may be pushed into financial difficulties by having to pay two bills in close proximity from the gaining and losing supplier. For example, a customer who has been billed on estimated readings for a long period may be at more risk of a large, unexpected final bill.

24. Do you agree with our assessment of the PPM market and proposed approach of keeping PPM within the testing framework's scope, and assessing closer to implementation whether PPM consumers should be targeted?

We recognise the practical implications of given the limited number of competitive prepay tariffs, both an auction and open market approach may fail to yield a significant saving for a small number of trial participants. The virtues of switching without consent prepay consumers for small prospective savings are also therefore questionable.

However, given the potential upside benefits of a segment of the market particularly affected by the loyalty penalty, we agree that consumers who prepay should be within the testing framework's scope, with their inclusion being re-evaluated closer to implementation. We set out our views on the risks related to payments that need to be managed in response to question 33.

25. Do you agree that the testing should target a subset of suppliers? If so, on what basis should those suppliers be selected?

We agree that it is not necessary to include all suppliers in the scope of the testing, with this likely to only increase costs and delay testing implementation. We would also agree that the burden of the trial should not be disproportionate to the size of participant.

However, there is value in including a cross-section of suppliers such as established medium suppliers and not only larger former incumbents in order to address the research questions of whether consumers of different types of supplier would experience opt-out switching similarly, for example with different CRM/billing systems of different levels of sophistication.

²¹ [Smart Export Guarantee \(SEG\) Annual Report 2020-21](#) (2021) Ofgem

26. Do you think that a competitive process is likely to be effective at producing a good saving for consumers in the testing scheme? Would a process where the Delivery Body selects tariffs from open market using a set of criteria be more appropriate? Are there any other approaches we should consider?

Not answered.

27. Do you agree that tariffs should not be compared on variables other than price for testing, but there should be some minimum standards for non-price variables such as customer service? If yes, which variables should be included and how should they be measured/what should be the minimum standard?

We agree that for the purpose of small-scale testing that price, as the biggest driver of engagement, should be the main point of comparison. However, especially as there would not have been explicit consumer consent, we would strongly advocate for a minimum customer service level being set. This could take the format of using a publically available measure of customer service such as the Citizens Advice Star Rating, or its constituent data sources such as complaints per 100,000 customers, consumer service cases and Ombudsman cases. It could also use data from performance assurance assessments by code bodies. Any supplier under investigation regarding a consumer-facing compliance issue with Ofgem could also be deemed to be inappropriate for switching customers without active consent.

28. What methods could be used to help maximise consumer engagement with the opt-out option and communication?

We welcome that the trial design will build on existing Ofgem learnings, particularly with regard to the need for multiple communications.

We would also highlight the need for multiple channels of engagement to be employed, with consumers having a wide range of communication preferences - notification could be in a staggered timescale via letter, email and text for example to ensure a broad range of preferences and digital skills are encompassed.

We would also highlight broader learnings from our energy hack day²² that could be applied. While this focused on debt, the design brief had parallels of communications designed to drive consumer action. Drawing on expertise from 25 suppliers and Energy UK, Ofgem BEIS, the Energy Ombudsman, the Money Advice Trust, HMRC and the Government Digital Service, some common themes included:

- Use plain and simple language
- Use language your customers use and avoid jargon
- Test new content with customers to check it makes sense

²² [What we learned from our first energy hack day](#) (2019) Citizens Advice

The last of those themes feels particularly relevant for this work, and we would recommend that all communications from the Delivery Body are thoroughly user-tested before use in the trials. Our hack day also emphasised the importance of clear calls for action and prominent next steps for consumers to take.

We would also highlight the risk that with consumers receiving communications with entities they are not familiar with and references to changing payment methods, we would recommend that the trial design team work with the Consumer Protection Partnership and Trading Standards to minimise the risk that the trial is hijacked by scams using similar communications designed to take advantage of consumer confusion in the process.

29. What action should consumers be required to take to opt out of the arranged switch? Do you agree with our proposals in section 3.5.1?

We agree that the simplest and most logical opt-out arrangements to initially test are for consumers to be able to respond to the initial communication and opt to remain on their existing default tariff. Switching to another tariff within the trial period would also demonstrate engagement and these consumers should be excluded to avoid the risk of being switched twice in quick succession.

At this stage we disagree with the proposal even on a trial basis that a consumer should be required to switch from their default tariff, internally or externally, as the method of opting out. Some consumers, regardless of reason, are actively opting to remain on default arrangements and a change should not be forced upon them. Additionally, there is a material risk that forcing consumers to switch against their will could generate negative publicity that could threaten the credibility of the wider trial.

More broadly, much more consideration needs to be given before aiming to ultimately remove default tariffs or require all customers to make an active choice. We think that this is unlikely to be realistic while also maintaining the universal service in its current form.

30. How should the testing allow consumers to easily switch back to their previous supplier should they wish to? Would only restricting exit fees for the new tariff be sufficient? Should we consider any other options?

We would welcome and expect that any acquisition tariff has no exit fee as a baseline of ensuring positive consumer experience in the trial. An additional level of protection which could be beneficial would be extending the statutory 14-day cooling-off period, and the 15 working day grace period under the new switching rules. This could ensure that consumers who want to avoid the switch, but due to personal circumstances are unable to action this, can do so.

Alternatively, switching back beyond the cooling off period could make use of the Customer Service Return provisions in the REC Erroneous Transfer rules. If these were more broadly applied to all consumers switching back under the scheme they would minimise disruption they could expect. This is because the new cooling off rights promise 'equivalent terms' on returning to the previous supplier, whereas the Erroneous Transfer rules require the previous contract to be reinstated.

31. Do you agree with our proposed approaches to setting up new payments with standard credit and Direct Debit customers?

Ensuring smooth payment transfers is vital to protecting consumers as part of the trial. We agree that there are inherent challenges with Direct Debit in particular, but that the wider framework for these payments should not be altered for the purposes of the trial. However, the option of moving people to standard credit carries significant risk that consumers could accrue a debt without realising.

The induction period proposal would limit this risk, but also seriously interfere with the purposes of the opt-out scheme. Other options could include enhanced protections to ensure customers set up payment after the switch has occurred, for example with a letter from the losing supplier alongside their final bill to tell them how to do this, and follow up communications by telephone by the new supplier. This is an area where the trial must take extreme care, and have in place appropriate support and mitigations, including compensation for customers who suffer detriment.

32. Are there any other approaches or variations to the options outlined we should consider to help make the process as simply as possible for consumers?

Not answered.

33. What, if any, practical challenges do you see for opt-out switching for PPM consumers, and how might these be overcome?

Many of the key risks surrounding opt-out switching for prepay consumers have been identified in the consultation. How credit is handled in smart scenarios will need to be carefully incorporated into any trial or scheme design. As set out in question 6, customers will need clear information to explain why credit has been temporarily lost, and there may need to be safeguards to prevent switches where large amounts of credit remain on the meter. Industry has previously proposed changes to enable credit to be retained on the smart meter following a switch, which would mitigate these risks.

The other major risk centres around payment and a potential for change in payment provider. Given the incompatibility of different payment systems for prepayment, a new top-up card would need to be issued rapidly to minimise any risk of consumers not having a way to top-up their meter. Especially for consumers in vulnerable

circumstances who have been with one supplier for years used to topping up at a particular convenient location, the disorientation and issues this changing suddenly could create could be significant. For example for someone with mobility issues if a convenient top-up location around the corner for the losing supplier became a trip of miles to access a top-up location for the gaining supplier.

These risks were highlighted when British Gas moved payment provider from Paypoint to Payzone, but failed to inform all consumers of the change. Ofgem concluded that “customers, many of whom are in a vulnerable situation, may have suffered detriment through wasted journeys to try and top-up at shops which no longer offered the service, or in some cases may have gone off supply.”²³ A worst-case scenario for the scheme would be replicating such difficulties.

The switching Customer Journey Forum, sponsored by RECCo to understand the implications of Faster Switching for consumers has also identified there is a risk of misdirected payments if a prepayment device consumer invokes cooling off, with the risk increasing if this is after a confirmed switch. Further engagement with this forum as it actively considers prepay issues in a Faster Switching context could be valuable.

34. Do you agree with the highlighted potential consumer risks that the scheme will need to consider? Do you think there are risks that we may have missed or other things to consider? Do you agree with our proposed approach to these risks? Are there other protections we should consider?

We agree with the iterative test and learn approach, and initially excluding consumers in vulnerable circumstances. We also agree with many of the identified risks, particularly around digital disengagement, tenancy type and risk of bill-shock from double-billing. The latter could also be caused if the losing supplier was pay-by-arrears and the gaining supplier pay-in-advance, as a number of medium and small suppliers currently do. However we note that Ofgem’s proposals to limit credit balances may reduce the capacity of suppliers to take advance payments.²⁴

One group not actively addressed in the consultation where opt-out presents a risk is those with English as a second language. These consumers can struggle to access essential services under normal circumstances²⁵, and depending on the level of complexity of the communication, may struggle to understand changes as significant as a change of supplier without consent without additional support.

²³ [British Gas makes payments totalling £1.73 million for handling of changes to prepayment meter top-up arrangements](#) (2020) Ofgem

²⁴ [Supplier Licensing Review: reducing credit balance mutualisation](#) (2021) Ofgem

²⁵ [Customer care for vulnerable people](#) (2020) Ofgem

As answered in response to Q14, the delivery body should be subject to a complaints process and consumers should be able to access Alternative Dispute Resolution when complaints cannot be satisfactorily addressed. Given the greater role in making an active choice for the consumer, this protection will be even more important for the opt-out scheme.

35. What types (for instance, by duration) of tariffs do you think participants in testing should be switched to?

For a small-scale trial focused on consumer experience straightforward tariffs, such as a one-year fixed term, should be used. Further testing of other tariff types could then be taken forward in further trials or as an opt-out scheme is implemented. As set out in question 10, half-hourly settlement will be a challenge for an opt-out scheme and may need consumers to be segmented by consumption profile to receive an appropriate tariff. Additional information and safeguards are likely to be needed if more complex tariffs are used, and this should be subject to significant further planning.

36. Do you agree that the opt-out communication should be administered by and addressed from the Delivery Body, but that also including the incumbent supplier's branding should be tested?

Not answered.

37. Should the Delivery Body administer the opt-out communication, do you agree with the proposed data fields in Table 2 that the Delivery Body would require from the incumbent supplier to administer the opt-out communication with the consumer? Are there other identifiers that we should consider to enable consumers with certain characteristics to be identified, with an alternative approach applied?

Not answered.

38. Do you agree the Delivery Body should be the point of contact for consumer questions? And that, with the consumer's permission, the Delivery Body should be able to record the feedback and questions that come in from consumers as a method of understanding the consumer experience.

We agree that the Delivery Body should act as a point of contact for consumer questions, given the operational role the body will play in the switch they will be able to access data on the process and answer direct consumer questions unique to their circumstances and experience.

However, we would reinforce the value of access to independent advice, and that signposting to the consumer service and other appropriate advice providers would also

be essential for consumers concerned about the process. Coordinating advice content with independent advice providers would be an important role for the Delivery Body.

39. Do you agree with our proposals on what data sharing process will be required to initiate the switch?

Not answered.

40. Do you agree that the Delivery Body should be the point of contact in communication to initiate a reverse switch and empowered to represent the consumer in this process, including by enacting their rights (subject to the protections in place) when engaging with the new and old supplier?

We disagree that the Delivery Body should be the sole point of contact for reversing a switch.

While the Delivery Body will be the point of contact for many consumers going through the process, having issued the communications, there will likely be a significant proportion of the trial participants who feel more comfortable communicating with the supplier they have an existing relationship and lines of communication with, rather than a new body they will likely have been unaware of before first contact in the trial.

There are parallels here with the Erroneous Transfer process where consumers are able to contact both the gaining and losing supplier to reverse the switch, with both obligated to resolve the issue.

41. Do you have comments on how wider information law requirements should be considering in the design of the opt-out testing framework?

Not answered

42. How could default arrangements be reformed to help facilitate reaching the UK's 2050 net-zero target?

Settlement reform and smart metering may provide opportunities to change the tariffs used for default arrangements, with the potential of using a standard time of use tariff as the default arrangement. This could incentivise flexibility through shifting consumption, but would also have significant consumer impacts that would need to be carefully considered. This work would be best progressed through Ofgem's settlement reform programme.

43. Do you have any evidence that may improve our understanding of how these measures may impact consumers with different characteristics? For instance, given that we propose for these measures to target disengaged consumers.

Characteristics that impact disengagement, their underlying causes and potential mitigations are included in answers to questions 1 and 2.

44. How could we design these measures to better: a) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010; b) advance equality of opportunity between people who share a protected characteristic and those who do not; and c) foster good relations between people who share a protected characteristic and those who do not.

An aspect not covered in detail in other questions is the impact of race on engagement in the switching market. Citizens Advice commissioned supplemental polling²⁶ to our usual quarterly tracking survey in Q1 2021 to explore whether those belonging to an ethnic minority experienced differential outcomes in the energy market.

The research findings included that those belonging to an ethnic minority were less likely to have switched (36% versus 45% overall) and were less likely to consider switching (50% versus 56% overall).

Other findings included that information provided by suppliers is seen to meet the needs of all customers, including those with an ethnic minority background, but that improvements could be made around assistance with paying and escalating complaints for this group. Ensuring the design of the complaints process for the scheme is inclusive could help to ensure accessibility.

45. How could the barriers to switching be reduced for indebted consumers?

Given our assessment that nearly 2 million households are behind on their energy bills and that this figure is expected to rise due to increasing prices, we support looking at changes that can help consumers in debt reduce their costs.

In terms of barriers to switching for indebted customers, an initial step could be assessing the operation of the Debt Assignment Protocol (DAP). In 2017 while assessing CMA remedies implementation Ofgem found that 9%²⁷ of attempted switches were successfully completed via the DAP, with a significant proportion failing to complete due to inaccurate data. Proposals under MRA/SPAA have sought to address some of these challenges, for example through MAP CP 0287, however a good starting point would be a fresh RFI to understand PPM consumer experience of the existing system. There is an opportunity for some of this work to be led by the Retail Energy Code.

More broadly, an assessment could be made of options to extend the DAP or mirror through separate arrangements its provisions to credit customers. However, we would

²⁶ Household Consumer Perceptions of the energy market – Ethnicity Boost Sample (2021) Accent

²⁷ [Debt Assignment Protocol: CMA remedy implementation](#) (2017) Ofgem

be sceptical that this would lead to significant change, based on the current experience of the prepay DAP.

A more fundamental approach would be to prevent debt blocking by suppliers, and require them to collect the debt from customers via other routes after they've switched away. While this may benefit customers in debt, it would also likely lead to a significant increase in bad debt in the sector and higher costs for other customers as a result. They could also have negative impacts for customers in debt if more aggressive debt collection options, including bailiffs, were scaled up by suppliers for debts of previous customers.

46. How could opt-in switching and opt-out testing be designed to effectively support indebted consumers?

Customers with smaller debts could be sent information about new deals via the opt-in scheme, as they may be able to clear the debt to enable them to switch. They would need clear information that they would need to do so in order for the switch to proceed.

In the absence of reforms discussed above, the best option for customers with larger debts to get a better deal is likely to be for them to switch internally to a better deal with their existing supplier. The opt-in scheme could be used to force suppliers to send opt-in prompts to their best deals to customers in debt and on default tariffs, to build on the prompts already sent via the cheapest tariff message on bills and other communications.

Annex B - default arrangement reforms

47. Are there other approaches that the Government should consider to the default arrangements that would facilitate greater competition between suppliers and lower prices for all energy consumers?

We support the Government's announcement that it will extend the price cap framework beyond the current end date of 2025. We previously explored different approaches to protecting people on default tariffs once the cap is removed in our discussion paper [*When the Cap No Longer Fits*](#).

Annex C - further questions on opt-in prompt and competition

48. If the consumer is prompted to a specific winning tariff, do you think that the scheme should consider variables other than price? If so, how?

A consumer switching to a supplier based solely on price, but then experiencing poor customer service outcomes would have a negative impression of the market more widely and could impact future engagement.

As well as potentially considering variables around green tariffs (see question 21), minimum service levels could be specified. This could for example include not having an open Ofgem compliance investigation, or it could mean excluding suppliers falling below set standards, for example, complaints per 100,000 customers which is integrated into the Citizens Advice Star Rating, or their ranking on the star rating overall.²⁸

There is potential to see a route where a consumer could opt-in to different auctions where different variables are prioritised - still achieving a saving, but switching to a greener or better customer service provider supplier.

49. If consumers are prompted with a particular tariff, do you think that there should be more than one?

There could be benefits to prompting customers with different types of tariff, including different fixed contract lengths, a tariff with green features and time of use tariffs. However, this must be balanced against the need for a simple customer journey and choice for consumers who are, by their nature, disengaged. Such trade-offs could be explored through the iterative test and learn approach to implementation.

50. Do you think that the competitive process, where used, should enable more than one winner? If so, why and how?

The ability of the auction design to accommodate small suppliers, who may be less able to accommodate many new customers quickly, to be able to participate in large auctions could enhance competition and merits further scoping. This could include clear limits on the numbers a supplier will be able to accept via a round of the opt-in scheme, which has been a feature in commercial collective switches previously.

51. Do you think that the opt-in switching scheme should seek to enable incumbent suppliers to try and keep their existing customers alongside the opt-in prompt?

'Win back' activity is not unprecedented in energy or other markets, and suppliers are currently free to use to engage their customers who are in the process of leaving with cheaper alternative deals. However, we note that the new faster switching arrangements may significantly change the nature of this activity, as the consumer is likely to have already switched by the time the old supplier can tempt them back.

In an opt-in scheme, an offer of a new tariff from the existing supplier would act as pre-emptive win-back activity or an enhanced version of the existing 'cheapest tariff message'. In a market based opt-in approach, it would make sense to include tariffs from the old supplier if they were among the cheapest available.

²⁸ [Star Rating](#) (2021) Citizens Advice

In relation to having a dedicated space on communications to enable the losing supplier to communicate about better tariffs they're offering, we agree with the advantages and disadvantages identified. We would add that including them in this way could make the communications more complex, particularly if the supplier's branding is on the letter. We suggest that this approach is tested during implementation to better understand how consumers respond.

Annex D - further questions on opt-in data processing and consumer comms

52. Do you think that cherry picking is a plausible risk and, if yes, how should processes be designed to mitigate against it? Please provide your view on the two options raised: requiring suppliers to select with the Government/Ofgem/Delivery Body reviewing aggregated data to check for representativeness; or the Government/Ofgem/Delivery Body randomly selecting from the pool of eligible customers for each supplier? Are there other methods we should consider?

While cherry-picking may not be expected to be frequent, or a high risk, it cannot be ruled out. For example, there have been recent actions by one energy supplier²⁹ to switch away unprofitable high usage customers in the context of high energy prices. Random selection by the Delivery Body should act as a mitigation against this.

53. If the Government/Ofgem/Delivery Body were to review aggregated data to check for representativeness, what data do you think would need to be processed to enable this check?

Not answered.

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²⁹ [Omni Energy switched unprofitable customers without express consent](#) (2021) Guardian

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