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**Submission to the Commission for Energy Regulation**

**Review of Electricity and Gas Suppliers Handbook - Ref CER/16/031**

April 2016

## **1. Introduction**

The Irish Bulk Mail Producers Association (IBMPA) represents Irish SMEs producing large quantities of mail, usually in batches of a minimum of 2,000 items.

This submission, in response to the Commission for Energy Regulation's proposed amendments to the Suppliers Handbook, focuses on the issue of choice of billing format.

## **2. IBMPA's position on paper billing**

The IBMPA supports the right of consumers to choose to receive their bills and communications in the format which best suits them. There is clear evidence that a majority of consumers prefer to obtain paper bills, as evidenced by a recent survey undertaken on behalf of the Commission for Communications Regulation – see 3 below.

## **3. Commission for Communications Regulation Survey**

The Commission for Communications Regulation commissioned three surveys of postal users during 2013, including one of consumers – ComReg document 13/67b ([http://www.comreg.ie/publications/consumer\\_postal\\_users\\_survey.583.104413.p.html](http://www.comreg.ie/publications/consumer_postal_users_survey.583.104413.p.html)) refers. That survey showed that consumer preference for receiving bills and statements by post is very strong. A total of 68% of consumers said they would prefer to receive their communications in paper form. This figure rose to 86% amongst those over 65 and, in only one age category, that of 18 to 24 year olds, did the figure fall below 50%. Amongst this age group, 47% still preferred paper billing.

## **4. Efficacy of Paper Billing**

There is evidence that consumers examine more closely communications, including bills, received in paper format. The UK based "*Keep me Posted*", a partnership campaigning for the rights of consumers in the matter of communications and billing formats, reports as follows:

*"Independent figures show that for many, paper based communications help them manage their finances. Some people don't have access to online services, or aren't computer literate enough to use them."* (<http://www.keepmeposteduk.com/get-the-facts>)

This finding clearly has implications for meeting the needs of vulnerable customers, which CER has rightly highlighted in the proposed revised Supplier's Handbook.

## **5. Proposed changes to the Suppliers Handbook**

The IBMPA welcomes the proposed addition to the Supplier's Handbook at section 6.1.7, in respect of billing formats, as follows:

*“Suppliers must provide a choice of billing formats to customers, which must include paper billing. Suppliers must provide a choice of payment methods, which must include cash payment. Where there is a difference in terms and conditions specific to each billing or payment format, such difference shall reflect the costs to the supplier of the different payment offers.”*

But would suggest the following wording (which are included below in CAPS) for clarity:

*“Suppliers must provide a choice of billing formats to customers, which must include paper billing. Suppliers must provide a choice of payment methods, which must include cash payment. Where there is a difference in terms and conditions specific to each billing or payment format, such difference shall ONLY reflect the costs to the supplier of the different payment OR BILLING offers. BILLING FREQUENCY MUST BE AT LEAST EVERY TWO MONTHS”*

## **6. Regulation and Enforcement**

The IBMPA would like to see the CER taking steps to ensure that the consumers' choice to receive communications and bills in their preferred format, as outlined in the proposed revised Suppliers Handbook, is implemented fairly by energy suppliers. “In particular, the IBMPA has some concerns that the discounts (***often of a temporary nature***) are offered for e billing”

- (i) may not reflect the costs involved and
- (ii) effectively penalises consumers who would prefer to receive their bills in paper format.

Accordingly, the IBMPA would welcome a commitment that the issue of discounting for e billing, with reference to the costs involved, would be the subject of further analysis. If the proposed requirement to “*reflect costs*” is not being respected, then CER should act to redress the situation.

**END**