



Commission for Energy Regulation
An Coimisiún um Rialáil Fuinnimh

Review of the Suppliers' Handbook

Decision Paper

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Regulating Water, Energy and Energy Safety in the Public Interest

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Executive Summary

Promoting Competition and Strengthening Consumer Protection

The liberalisation of Ireland's energy market and deregulation of prices have resulted in many benefits for energy consumers. New market entrants have provided customers with more choice in terms of who supplies their energy creating more competition in the electricity and gas retail markets. Moreover, consumers are now availing of greater levels of innovation in terms of products and services on offer from suppliers. The Commission for Energy Regulation (CER), as the body responsible for ensuring consumers benefit from competition, is encouraged by the way the energy market has developed and continues to evolve.

However, the CER is also conscious of the fact that some consumers may not be fully realising the benefits of more choice and competition. Analysis undertaken by the CER as part of its monitoring of the market has illustrated that some customers still have low awareness of the energy market and how it is constituted. Moreover, a cohort of energy consumers are finding it increasingly difficult to compare and contrast tariffs as innovation of complex products and services continue to emerge in the market. Evidence also indicates that a sizeable number of consumers remain inactive in the market, and may not be on the best tariff for them.

Reviewing the Supplier Handbook

As part of the CER's role to promote competition and protect consumers, steps have been undertaken to arrest these problems. The Suppliers' Handbook acts as the 'rulebook' covering key areas of interaction between energy customers and energy suppliers. The review of the Suppliers' Handbook began in 2015 and the CER published a consultation paper on proposed changes in February 2016. Consumer groups were briefed as to the proposed policy changes and feedback was sought. This was done primarily through the CER's consumer stakeholder group. This group meets regularly and consists of a broad range of consumer advocacy and support groups. This forum is seen as an effective way to assist consumer groups to effectively input into the CER's decision making process. Workshops were also held with industry before and after publication of this paper.

After an open consultation process, the CER published a Supplier Handbook Decision & Further Consultation paper in November 2016 (CER/16/287). That paper set out the CER's policy decisions while also outlining some further decision areas, primarily related to implementation. For example questions were asked about the content of the annual prompt and also whether the

estimated annual bill should be presented in TV and radio advertisements. Following an open consultation process, this paper sets out the CER's decision on those implementation questions.

The policy decisions in the November paper included such things as the introduction of new measures such as the Estimated Annual Bill, the 30 Days' Notice and the Annual Prompt. When making these decisions, the CER considered it prudent to seek additional feedback from all interested parties on a number of areas to give effect to these decisions. Specifically, the CER sought to gather more information on the approach and content of the new measures such as the Estimated Annual Bill, the 30 Days' Notice and the Annual Prompt. Once again, feedback was requested from the consumer stakeholder group, as well as from suppliers via workshops.

In addition to the above, the CER ran a parallel process to update the content of the Suppliers' Handbook. The CER, alongside the decision paper in November 2016 circulated an updated version of the Supplier Handbook, reflecting decisions made in the November decision paper. The CER facilitated a technical review of the Handbook with Suppliers, seeking comment on the wording changes to ensure that they were effective in implementing the policy decisions. The CER circulated this updated version to suppliers. Comments were received and, where appropriate, changes to wording were made to ensure consistency with the November policy decision and to ensure that they were, in practice, effective. As part of this decision, the CER is publishing a further update to the Suppliers' Handbook, taking into account the changes on foot of the technical review, as well as the changes arising out of this.

In summary the decision in November and today's decision follows an extensive process of engagement with all stakeholders including suppliers, consumer interest groups and external agencies such as the Consumer & Competition Protection Commission, the Economic & Social Research Institute (ESRI) Price Lab and the Central Bank of Ireland. The decisions in both these papers complement actions to ensure that energy markets are working for all consumers as outlined in the Government's Energy White Paper published in 2015.¹ Moreover, the requirements introduced will serve to ensure that all consumers have information that enables them to switch suppliers or tariffs as a result of having access to a high level of information in the market and requiring all market participants to offer clear and transparent pricing offers which is a key action under the CER's Strategic Plan 2014-2018.²

CER Decisions

¹ [Ireland's Transition to a Low Carbon Energy Future 2015-2030](#)

² [CER Strategic Plan 2014 - 2018](#)

This Decision Paper outlines a number of new requirements which energy suppliers will be obligated to implement. The Decisions introduced by the CER as part of its Review of the Suppliers' Handbook are as follows.

Domestic Customers

Estimated Annual Bill:

As part of the CER's ongoing monitoring of the market and interaction with energy consumers, it's become evident that a cohort of consumers are struggling to compare and contrast tariffs on offer and choose the right plan for their energy needs. To that end, the CER put forward in its review of the Suppliers' Handbook (CER/16/287), a simple and easy to understand indicator for consumers: the Estimated Annual Bill (EAB). The role of the EAB is twofold: firstly it will act as a beneficial aid for energy customers and it will also represent a consistent basis for suppliers to base their claims for leading positions in advertising materials. The introduction of an EAB was supported by research undertaken by the ESRI. That research concluded that the EAB "*is likely to make it easier for consumers to choose cheaper electricity packages from among available offerings*" and that "*it is likely to be beneficial for consumers' decision-making.*"³ The policy decision to introduce an EAB on advertising and marketing materials was made in the November paper. However, in this consultation paper, the CER asked as to whether the EAB should also be present on TV and radio advertisements, in addition to other advertising and marketing material.

Decision – Types of Marketing & Advertising Material to Include the Estimated Annual Bill

Suppliers are required to display the EAB on all marketing and advertisements which promote a specific energy offer (s), or include any reference to price / tariffs, discounts, savings or cost. Requiring the EAB on all marketing and advertisements will ensure a transparent and consistent approach. In this regard, regardless of what form of marketing or advertising reaches a particular customer, they will be presented with the EAB, and can importantly use it as a simple tool when comparing and contrasting energy tariffs. This provides all consumers with the same level of protection. To ensure that customers are adequately protected and have access to relevant information to evaluate alternative offers, the CER has decided that the EAB is to be presented when the advertisement / marketing material promotes a specific energy offer, or includes any reference to price / tariffs, discounts, savings or cost on all advertising and marketing materials, including radio and television advertisements. Suppliers are not obliged to

³ [ESRI Price Lab 'Price Transparency in Residential Electricity 2016'](#)

present the EAB when these topics are not presented. Also footnotes may be used to provide detail or a link to relevant information on the EAB.

Decision – Calculating the Estimated Annual Bill

Suppliers are obligated to utilise the following methodology when calculating the Estimated Annual Bill:

- (i) Must be based on updated average consumption figures approved by [the CER](#)
- (ii) Must include all energy costs such as unit rate, standing charge, PSO levy, etc.
- (iii) Must not include monetary value attributed to non-energy related elements by suppliers, their representatives or third parties e.g. loyalty points, non-cash vouchers, cash-back offers, etc.

Suppliers are also required to calculate the Estimated Annual Bill based on the following:

- (i) Where a specific tariff is presented / referenced the Estimated Annual Bill must be calculated based on that tariff, or;
- (ii) Where a specific tariff is not presented / referenced, the Estimated Annual Bill must be calculated based on the most relevant standard tariff to the consumers that can avail of the offering.

Decision – Display of the Estimated Annual Bill

Suppliers are required to display the Estimated Annual Bill on all marketing and advertising material as follows:

- The Estimated Annual Bill must be displayed in the main body of the advertising or marketing material, in a prominent position, and is not to be displayed only in footnotes
- The font of the Estimated Annual Bill figure should be no smaller than the second largest font in the main body of the advertising or marketing material
- Details of the definition of the Estimated Annual Bill, method calculation, etc. can be displayed in footnotes or a reference can be made to more information located on the supplier's website

30 Days' Notice:

As part of the Review of the Supplier Handbook Decision & Further Consultation paper published in November 2016, the CER introduced an obligation on energy suppliers to notify their customers 30 days (the 30 Days' Notice) in advance of the expiration of their fixed-term contract. This provides consumers with a simple reminder that their contract terms are about to expire. This new measure seeks to tackle an issue which has emerged in the market where customers on fixed-term contracts roll-over on to standard tariffs – often higher than the discounted deal. This will afford the consumer the chance to shop around, either with their current supplier or an alternative, to find the right deal for them.

However, following the introduction of this measure, the CER sought further input from all interested parties on the specific content of the 30 Days' Notice to give effect to this decision. The CER put forward a number of items to be included in the notice and sought feedback on same. This decision primarily focusses on the specific content which suppliers will be required to display on the 30 Days' Notice. The CER has considered all feedback fully and has amended the wording of the notice to ensure that it is shorter, more focused and clear. The CER has also decided that the notice can be presented in a prominent position on the bill or in a separate written communication. The CER considers that, at this juncture, this strikes the right balance between administrative burden and maintaining the impact of the notice. The CER will, however, keep this under review.

Decision – presentation and content of 30 Days' Notice

Suppliers are required to issue a written notification either separately (via post or, for those customers who have signed up for electronic billing, by email) or in a prominent position on the bill and display the following information no less than 30 days and no more than 60 days in advance of the end of their current contract :

- (i) Date when the customer's fixed-term contract is due to expire
- (ii) Estimated annual bill for the customer's current energy plan (based on updated CER approved annual consumption figures)
- (iii) Charges currently being paid by the customer (unit rate, standing charge, prepayment rate, etc.) Footnotes are acceptable for this information
- (iv) Estimated annual bill for the customer's new tariff based on the CER approved updated annual consumption figures, if remaining as a customer of the supplier

- (v) This exact text: 'Is this the right tariff for you? You can shop around for a better deal.'
- (vi) This exact text: 'There are no penalties for switching when your contract expires.'
- (vii) A reference to the section of the CER's website where information can be found on accredited price comparison websites and licensed suppliers

Annual Prompt:

The third area considered in this Decision relates to the introduction of a new initiative which aims to alleviate the issue of non-engagement from a sizeable number of customers in the market. The CER is concerned that ongoing disengagement will likely result in these consumers missing out on the benefits of competition. Therefore, in November the CER introduced an obligation on energy suppliers to prompt those customers, on an annual basis, who have remained on the same tariff for 3 years or more. If a prompt is issued and the customer continues to remain on the tariff, the prompt will issue every 12 months thereafter until that customer has changed tariff. As with the decision on the Estimated Annual Bill, the CER has amended wording to ensure that it is shorter, more focused and clear. The CER has also decided that the notice can be presented in a prominent position on the bill or in a separate written communication.

Decision – presentation and content of Annual Prompt

Suppliers are required to issue a written notification or email on an annual basis either separately (via post or, for those customers who have signed up for electronic billing, by email) or in a prominent position on the bill and display the following information on the annual prompt:

- (i) Statement that the customer has been on the same energy tariff for the past 3 years or more
- (ii) Charges currently being paid by the customer (unit rate, standing charge, prepayment rate, etc.) Footnotes are acceptable for this information
- (iii) Estimated annual bill for the customer's current energy plan (based on updated CER approved annual consumption figures)
- (iv) This exact text: 'Is this the right tariff for you? You can shop around for a better deal.'

- (v) This exact text: 'There are no penalties for switching when your contract expires.'
- (vi) A reference to the section of the CER's website where information can be found on accredited price comparison website and licensed suppliers

Customers' Ability to Pay:

The Suppliers' Handbook places certain obligations on suppliers when dealing with customers who are finding it difficult to pay their bills. Protections such as the right of the customer to be dealt with sympathetically and confidentially are afforded so customers have the confidence and ability to work with their supplier when setting debt arrangements. However, as part of its review of the Suppliers' Handbook, the CER put forward a number of proposals to build on said protections. For completeness, the CER is introducing a set of principles and minimum standards which suppliers must adhere to when setting debt arrangements.

Decision – Customers' Ability to Pay

Suppliers are required to implement a clear, transparent and fair policy to ensure that the customer's ability to pay is taken into account when setting debt repayment arrangements, including debt recovery rate for PAYG meters. In developing this policy, suppliers should take into account the following principles:

- Appropriate credit-control policy and trained personnel
- Proactive engagement with customers who are experiencing difficulties in paying their energy bills
- Customers' ability to pay
- Repayment arrangements based on the customer's ability to pay
- Customers' understanding and agreement
- Monitor repayment arrangements

Non-Domestic Households:

Increased levels of competition and greater levels of products and services innovation can bring benefits to all energy consumers, including non-domestic households such as industries and SMEs. Therefore, access to clear and transparent information with respect to plans and tariffs

should be available to non-household customers. As such, the CER considers it prudent to introduce measures which aim to increase the level of transparency and information provided by suppliers to non-domestic customers.

Decision – Non-Domestic Households

Suppliers are required to publish a high level statement regarding the methodology used to determine energy tariffs for non-household customers on their website. The statement should document the considerations of suppliers when setting energy tariffs for different categories of non-household customers.

Suppliers are required to have a fair, transparent and reasonable policy to determine the amount requested from customers as deposit and refund of deposit. The policy must be available, in an appropriate format, to any person who requests it. To ensure accessibility, a link must be provided from the supplier's website to the location where the policy is stored.

Suppliers are required to respond to CER's Final Decision to a complaint resolution within 3 weeks from the date of the Final Decision, confirming that the CER's Final Decision has been implemented.

Next Steps

These Decisions, with particular regard to the Estimated Annual Bill, the 30 Days' Notice and the Annual Prompt, will give effect to the implementation of these new measures and ensure that consumers are equipped with the tools to choose the right plan to meet their energy needs.

Suppliers will have a 6 month timeframe from the publication of these decisions to implement the majority of the measures. The requirement to include the Estimated Annual Bill on TV and Radio adverts allows for a 12 month timeframe for implementation. The CER acknowledges that the implementation of these measures, in some instances, may represent challenges for some energy suppliers. However on balance the CER is eager to see these measures implemented so consumers can realise the benefits as soon as possible.

The CER will continue to engage with suppliers and interest groups to ensure a smooth implementation and transition for consumers. Moreover, the CER will continue to monitor the market and gauge the effectiveness of these decisions to ensure that they are having a positive effect for energy customers.

Public/ Customer Impact Statement

Ensuring that fully competitive retail markets deliver fair prices to customers is a key goal of the Commission for Energy Regulation. More competition and choice should provide more avenues for consumers to select the right plan for their energy needs. Where challenges occur for consumers, it is incumbent on the CER to undertake actions to ensure that consumers realise the benefits of competition in the market.

As part of its ongoing engagement and monitoring of the market, evidence has emerged which illustrates that a cohort of consumers are finding it difficult to compare and contrast tariffs, products and services on offer from energy suppliers. In addition, those customers who do avail of deals, often at significant discounts, are increasingly rolling-over on to standard rates which are often more expensive. Findings from the CER's analysis has also shown that some consumers remain disengaged from the market and therefore, are likely missing out on the benefits which competition can afford them.

As a result of these issues, the CER has taken a number of proactive steps to arrest these problems for consumers. The Review of the Suppliers' Handbook is an appropriate vehicle to introduce new measures aimed at promoting competition and strengthening protections for customer. Key initiatives introduced by the CER which will have a direct impact on consumers are outlined as follows:

- Obligations on suppliers to utilise an Estimated Annual Bill (EAB) on all marketing and advertising material, including TV and Radio ads. Consumers can use the EAB as a simple tool when comparing and contrasting energy tariffs
- Requirement on suppliers to issue a reminder to customers 30 days in advance of the expiration of their fixed-term contract with useful information regarding their estimated annual bill, price comparison websites, licensed suppliers, etc.
- Requirement on suppliers to issue a written prompt, on an annual basis, to those customers who've remained on the same tariff for 3 years or more communicating to consumers that there are no penalties for switching and accompanied by useful information regarding price comparison websites, licensed suppliers, etc.
- Obligations on suppliers to apply minimum standard when formulating debt repayment arrangements and also requirements on suppliers in respect of non-domestic tariffs

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1. Introduction

1.1 The Commission for Energy Regulation

The Commission for Energy Regulation (CER) is the independent body responsible for overseeing the regulation of electricity and gas sectors in Ireland. The CER was initially established and granted regulatory powers over the electricity market under the Electricity Regulation Act 1999. The enactment of the Gas (Interim) (Regulation) Act 2002 expanded the Commission's jurisdiction to include regulation of the natural gas market, while the Energy (Miscellaneous Provisions) Act 2006 granted the CER powers to regulate electrical contractors with respect to safety, to regulate natural gas undertakings involved in the transmission, distribution, storage, supply and shipping of gas and to regulate natural gas installers with respect to safety. The Electricity Regulation Amendment (SEM) Act 2007 outlined the CER's functions in relation to the Single Electricity Market (SEM) for the island of Ireland. This market is regulated by the CER and the Northern Ireland Utility Regulator (UR). The Commission is working to ensure that consumers benefit from regulation and the introduction of competition in the energy sector.

1.2 The Purpose of this Document

1.2.1. Revisions to the Supplier Handbook

The CER has a statutory role to promote competition covering the generation and supply of electricity and natural gas. The CER also has an important role to protect the interests of energy consumers. The review of the Suppliers' Handbook is a key action for the CER which is aimed at ensuring that customers are benefitting from competition and protections are place in a market which is constantly evolving.

1.2.2. Related Documents

All documents and relevant information regarding this decision are published on the CER website. However, particular documents which readers may wish to consider are as follows:

- Review of Electricity and Gas Suppliers' Handbook Consultation Paper can be found [here](#)

- Review of the Supplier's Handbook Decision & Further Consultation (CER/16/287) can be found [here](#)
- Review of Competition in the Electricity and Gas Retail Markets can be found [here](#)
- Review of Typical Domestic Consumption Values for Electricity and Gas Customers can be found [here](#)

1.3 Process of Engagement

1.3.1 Consultation and Decision Process

The review of the Supplier Handbook is an important exercise in ensuring protections afforded to consumers and obligations on suppliers are relevant to a market which is constantly evolving. The review process has been conducted over an extended period involving a significant level of public consultation. An initial consultation was published by the CER in February 2016 which sought feedback on a number of policy issues. Having considered all of the input received the CER introduced a number of new policy measures in its Review of the Supplier Handbook Decision & Further Consultation Paper (CER/16/287) published last November.

As part of that decision paper, the CER considered it prudent to seek additional feedback from interested parties on policy issues to give effect to certain measures such as the annual prompt, the estimated annual bill and the 30 days' notice, introduced in November. Further, following the publication of the decision and further consultation paper, the CER engaged in an extensive process with both suppliers and consumer interest groups regarding the open consultation items. This engagement was by way of bilateral meetings, workshops and ad hoc engagements. This process afforded the CER to gain as much feedback as possible from all parties in tandem with the official responses to the consultation.

In addition, as part of this extensive process of engagement, the CER has also reached out to bodies such as the Office of the Data Protection Commissioner, the Central Bank, Economic & Social Research Institute, and the Consumer & Competition Protection Commission with a view to assisting the CER in its review of the Supplier Handbook.

1.3.2. Implementation and Updating the Supplier Handbook

Alongside the publication of the Review of the Supplier Handbook Decision & Further Consultation Paper (CER/16/287) published in November; some suppliers expressed concern with the implementation of these new measures and the transposition of the decisions in the Supplier Handbook. Some suppliers identified errors/typos that were corrected by the CER. Further, some suppliers also identified drafting in the Handbook which reflected decisions that had not been consulted on. The CER provided clarifications to those suppliers on how the decisions had been transposed into the Handbook.

In addition, the CER has also engaged extensively with those suppliers over the last several months in order to address concerns. For example, following engagement by way of bilateral meetings in December 2016 and a workshop in January 2017, the CER marked-up an updated version of the Supplier Handbook providing an outline as to why certain changes were made, correcting typos and errors, etc. The CER also devoted a segment of a workshop in March 2017 to discuss the changes made. A series of examples and explanations were collated by the CER and circulated to suppliers following this workshop. The CER has attempted to provide clarity to those suppliers who raised these concerns regarding measures contained in the Handbook and has acknowledged and corrected errors and typos which were a result of human error.

The CER acknowledges that this lengthy and extensive process of review of the Supplier Handbook has resulted in a large volume of changes for suppliers. Therefore, following the publication of this decision and updated Handbook reflecting all of the decisions made, the CER is open to engaging with suppliers further to clarify any changes to the Handbook while at the same time maintaining the decisions and new requirements made as part of this process.

Finally, the CER wishes to acknowledge all of the input and feedback we've received to date from all of the aforementioned organisations. The input has been intrinsic to this process and the CER looks forward to engaging further with suppliers, consumer groups and all interested parties following the decision.

2 Customer Engagement with the Energy Market

Domestic Customers

2.1 The Estimated Annual Bill

2.1.1 Summary

Findings published in the CER's review of the electricity and gas retail markets illustrates that competition is having a positive effect in the energy market in terms of the increasing levels of choice provided to consumers by suppliers and the new and innovative products being made available.

However, as part of the CER's ongoing analysis of the market and outreach to consumers, it's become apparent that some consumers have low or no understanding of energy offers available to them. This is compounded by the fact that an increase in innovation of products and services added a layer of complexity for some consumers in terms of comparing products. Results from the CER's annual consumer surveys for 2015 and 2016 illustrate that 20% of consumers find it either difficult or very difficult to compare and contrast energy offers. This hinders this cohort of customers in their ability to select the right plan for them to meet their energy needs.

As a result of this evidence, the CER conducted analysis with the Economic & Social Research Institute Price Lab to ascertain what actions could be undertaken with the goal of assisting consumers when they are comparing tariffs and empowering them to make the right choices. Therefore, as part of the number of new measures introduced by the CER in November, an obligation was placed on suppliers to utilise a new method when advertising to consumers: the Estimated Annual Bill. The role of the estimated annual bill is twofold: firstly it will act as a beneficial aid for energy customers by which to compare offers and it will also represent a consistent basis for suppliers to base their claims for leading positions.

Following the decision in CER/16/287, regarding the requirement to include the EAB in advertising materials, the CER put forward a number of additional proposals and sought views from respondents on same to give effect to the estimated annual bill and sought stakeholder feedback on those proposals. Proposals focussed on the following topics:

- The types of marketing and advertising material to include the EAB
- Methods for calculating the EAB
- Displaying the Estimated Annual Bill

The CER has considered all of the input from respondents and has arrived at a number of decisions with regard to the implementation of the estimated annual bill.

2.1.2 Types of Marketing & Advertising Material to Include the Estimated Annual Bill

The CER Decisions in respect of the types of marketing and advertising material to include the estimated annual bill are as follows:

Suppliers are required to display the Estimated Annual Bill on all marketing and advertisements which promote a specific energy offer (s), or include any reference to price / tariffs, discounts, savings or cost.

Suppliers are required to display the Estimated Annual Bill on all adverts including TV and Radio advertisements.

2.1.3 Calculating the Estimated Annual Bill

The CER Decision regarding the methodology for calculating the EAB is as follows:

Suppliers are obligated to utilise the following methodology when calculating the Estimated Annual Bill:

- (i) **Must be based on updated average consumption figures approved by the CER**
- (ii) **Must include all energy costs such as unit rate, standing charge, PSO levy, etc.**
- (iii) **Must not include monetary value attributed to non-energy related elements by suppliers, their representatives or third parties e.g. loyalty points, non-cash vouchers, cash-back offers, etc.**

Suppliers are also required to calculate the Estimated Annual Bill based on the following:

- (i) Where a specific tariff is presented / referenced the Estimated Annual Bill must be calculated based on that tariff, or;**
- (ii) Where a specific tariff is not presented / referenced, the EAB must be calculated based on the most relevant standard tariff to the consumers that can avail of the offering.**

2.1.4 Display of the Estimated Annual Bill

The CER Decision regarding the display of the estimated annual bill is as follows:

Suppliers are required to display the Estimated Annual Bill on all marketing and advertising material as follows:

- The Estimated Annual Bill should be displayed in the main body of the advertising or marketing material, in a prominent position, and is not to be displayed only in footnotes**
- The font of the Estimated Annual Bill figure should be no smaller than the second largest font in the main body of the advertising or marketing material**
- Details of the definition of the Estimated Annual Bill, method calculation, etc. can be displayed in footnotes or on the supplier's website**

2.1.5 Supporting Reasoning

- By introducing a requirement on energy suppliers to utilise the Estimated Annual Bill when marketing or advertising, consumers will now have a simple indicator and tool when comparing and contrasting tariffs**
- The CER has considered feedback from respondents and decided not to obligate suppliers to utilise the Estimated Annual Bill on marketing and advertising which is not necessarily related to the supply of energy (e.g. sponsorship of sporting events, etc), or**

advertising related to brand awareness that is not tied to a particular offer or presented with any reference to price / tariffs, discounts, savings or cost. The CER acknowledges that this may have had the potential to confuse consumers

- The Estimated Annual Bill should remove elements of complexity for those consumers who struggle to gauge what plan is right for them and empower them to make informed choices about their energy needs
- Requiring suppliers to display the EAB on all forms of marketing and advertising will ensure that it reaches the widest audience possible and customers have a consistent basis on which to evaluate offers
- The CER, in its decision, is attempting to achieve simplification, transparency and consistency across all suppliers
- The CER is cognisant that obligating suppliers to display the EAB on TV and Radio adverts may represent some challenges for suppliers; however the CER is also conscious of the pervasive nature of television and radio for consumers. TV and Radio are two of the main sources of advertising / information for customers.
- The CER has reflected on input particularly from consumer interest groups in arriving at this decision to obligate suppliers to display the EAB on TV and Radio
- Supplier concerns regarding the practical implementation challenges have also been taken on-board by the CER and therefore timelines have been extended for the implementation of this particular decision (see Section 5 'Implementation' for more information)
- Analysis conducted by the Economic and Social Research Institute Price Lab indicates that the introduction of an estimated annual bill "is likely to make it easier for consumers to choose cheaper electricity packages" and that "it is likely to be beneficial for consumers' decision-making."⁴

⁴ [ESRI Price Lab 'Price Transparency in Residential Electricity 2016'](#)

- Requiring suppliers to display the EAB in the main body of the advert or marketing material will ensure that it's displayed in a prominent position and therefore more likely to resonate for consumers

2.2 30 Days' Notice

2.2.1 Summary

As competition increases, consumers have more choice with regard to products, services, deals and offers. With regard to offerings and discounted deals provided by suppliers, these tariffs can, in many cases, allow customers to avail of significant savings. Further, it's evident that there are often significant differences in terms of price between the discounted offers and the standard rates offered by many suppliers. Findings recently published in the CER's consumer focussed assessment of competition in the market⁵ highlighted the fact that a significant cohort of customers on discounted tariffs default on to standard rates at the end of a fixed contract period which are often considerably higher. For example, figures for 2015 illustrate that 86% of electricity customers and 81% of gas customers who'd switched in the previous 12 months defaulted to a standard tariff when their initial discount period ended. In tandem, analysis conducted by the CER through its annual consumer survey showed that 51% of respondents stated that they would be interested in receiving a notice or a reminder and this may prompt them to engage with the market.

As a result of these findings, the CER, as part of its review of the Suppliers' Handbook, introduced a new measure which will attempt to arrest this problem. The obligation on energy suppliers to notify their customers 30 days (the 30 Days' Notice) in advance of the expiration of their fixed-term contract provides consumers with a simple reminder that their deal is about to expire. This will afford the consumer the chance to shop around, either with their current supplier or an alternative, to find the right deal for them.

Notwithstanding the introduction of this new measure, the CER sought further views from stakeholders regarding the specific content of this notice and made some proposals regarding same. The proposals regarding the specific content put forward by the CER have been the subject of considerable engagement with energy suppliers and consumer interest groups since November 2016 and this informed the decision of the CER. Having considered all of the feedback received from respondents, the CER decision will obligate suppliers to provide the following information on the 30 Days' Notice.

2.2.2 Content of the 30 Days' Notice

⁵ [Review of Competition in Review of Competition in the Electricity and Gas Markets - A Consumer Focussed Assessment](#)

Having considered all of the analysis conducted to date and the feedback from respondents, the CER Decision in respect of the content of the 30 Days' Notice is as follows:

Suppliers are required to issue a written notification either separately (via post or, for those customers who have signed up for electronic billing, by email) or in a prominent position on the bill and display the following information no less than 30 days and no more than 60 days in advance of the end of their current contract:

- (i) **Date when the customer's fixed-term contract is due to expire**
- (ii) **Estimated annual bill for the customer's current energy plan (based on updated CER approved annual consumption figures)**
- (iii) **Charges currently being paid by the customer (unit rate, standing charge, prepayment rate, etc.) Footnotes are acceptable for this information**
- (iv) **Estimated annual bill for the customer's new tariff based on the CER approved updated annual consumption figures, if remaining as a customer of the supplier**
- (v) **This exact text: 'Is this the right tariff for you? You can shop around for a better deal.'**
- (vi) **This exact text: 'There are no penalties for switching when your contract expires.'**
- (vii) **A reference to the section of the CER's website where information can be found on accredited price comparison websites and licensed suppliers**

2.2.3 Supporting Reasoning

The context and reasoning for the CER's Decision is as follows:

- By introducing a requirement on suppliers to notify their customers 30 days in advance of their fixed-term contract expiring, the CER is taking action to arrest an issue in the market where a significant cohort of customers are rolling-over on to higher tariffs once the initial discount period ends

- The introduction of the 30 Days' Notice will remind consumers that their fixed-term plan is coming to an end and may prompt them to engage with their current supplier or an alternative supplier to find the right tariff for them
- The CER put forward a number of proposals for further consultation in November 2016 which would've required suppliers to display a range of information on the notice e.g. estimated annual bill for the customer's current plan, estimated annual bills for alternative offers, the amount the customer stands to lose / gain, etc. Having considered feedback from both suppliers and consumer interest groups, the CER has decided to simplify the notice
- The rationale for reducing the content of the notice stems from suggestions that the proposed text contained too much information, which could confuse some customers and result in them disengaging, when active engagement was the overall objective of the policy measure
- The CER is also committed to aligning the content of this notice with the content of the annual prompt to the greatest extent possible, so that all customers, irrespective of how long they had been with their current supplier had easy access to the same information
- The content of the 30 Days' Notice is now more targeted, compared to that consulted upon, and will provide consumers with the appropriate level of information to firstly, remind them that their fixed-term contract is expiring and prompt them to engage with the market for a better deal, as well as providing them with information to enable them to compare offers
- The text to be included in the notice will motivate the consumer to ask the question as to whether they are on the right plan for them and also remind them that there are no penalties for switching once their current contract expires
- The consumer will also be in a position to avail of useful information on accredited price comparison websites and licensed suppliers which will assist them in making the right choice for their energy needs
- The CER will monitor trends in switching and renegotiations and review the effectiveness of the measure no less than 12 months after the obligation has been implemented

2.3 Annual Prompt

2.3.1 Summary

The transition to a fully competitive energy market in Ireland has been a positive development for energy consumers. Low barriers to entry have resulted in new entrants coming into the market and providing more choice for customers and more competition for other suppliers. Market share has continued to grow for newer entrants and declined for the likes of Electric Ireland and Bord Gáis Energy, who were the incumbent suppliers in the electricity and gas sectors respectively.

However, ongoing analysis conducted by the CER and illustrated in the recently published retail market assessment, has shown that a large proportion of consumers have a low awareness of the structure of the market. This is compounded by the fact that a cohort of customers is not aware of newer suppliers to the market or the variety of products and services on offer from them. Consequently, a sizeable number of energy consumers have remained with the large incumbents post-market liberalisation. Evidence from consumer surveys has shown that 58% of electricity and 53% of gas customers have never switched supplier.

As a result of these findings, the CER is concerned that a lack of engagement in the market from consumers for long periods will likely mean that those customers miss out on the benefits of competition. Therefore, the CER as part of its review of the supplier handbook in November 2016 introduced a measure to alleviate this issue. The introduction of an annual prompt for those customers who haven't engaged in 3 years or more with the market, will serve to prompt this segment of consumers to engage. To give effect to this decision, the CER sought further feedback from interested parties on the specific content of the annual prompt. Having considered all of the feedback received, the CER Decision will obligate suppliers to provide the following information on the annual prompt.

2.3.2 Content of the Annual Prompt

The CER has taken into account the input received from all respondents and the Decision with regard to the content of the Annual Prompt is as follows:

Suppliers are required to issue a written notification or email on an annual basis either separately (via post or, for those customers who have signed up for electronic billing, by email) or in a prominent position on the bill and display the following information on the annual prompt:

- (i) Statement that the customer has been on the same energy tariff for the past 3 years or more**
- (ii) Charges currently being paid by the customer (unit rate, standing charge, prepayment rate, etc.) Footnotes are acceptable for this information**
- (iii) Estimated annual bill for the customer's current energy plan (based on updated CER approved annual consumption figures)**
- (iv) This exact text: 'Is this the right tariff for you? You can shop around for a better deal.'**
- (v) This exact text: 'There are no penalties for switching when your contract expires.'**
- (vi) A reference to the section of the CER's website where information can be found on accredited price comparison website and licensed suppliers**

2.3.3 Supporting Reasoning

The context and reasoning for the CER's Decision is as follows:

- Analysis undertaken by the CER has consistently shown that a significant cohort of energy customers have never switched supplier or remain on tariffs for long periods of time, when more attractive offers may be available
- The CER is cognisant of the fact that this segment of consumers may be missing out on the benefits of competition and is introducing measures to alleviate this problem
- The introduction of an annual prompt will serve to remind those customers who've been on the same tariff for more than 3 years to engage with their current supplier or an

alternative supplier to find the deal that's right for them. This prompt will be repeated on an annual basis for customers that remain on that same tariff

- Proposals put forward by the CER in November with regard to the specific content on the prompt have been amended after considering feedback from respondents
- Both suppliers and consumer interest groups recommended reducing the amount of information contained in the prompt so as not to confuse the consumer and lead them to disengage
- The CER considers the level of information contained in the prompt represents the optimum approach in terms of notifying those customers who haven't switched and prompting them to engage with the market
- The CER has also attempted to align the content of the prompt with that of the 30 days' notice
- The text to be included in the notice will motivate the consumer to ask the question as to whether they are on the right plan for them and also remind them that there are no penalties for switching once their current contract expires
- The consumer will also be in a position to avail of useful information on accredited price comparison websites and licensed suppliers which will assist them in making the right choice for their energy needs
- The CER will monitor trends in switching and renegotiations and review the effectiveness of the measure no less than 12 months after the obligation has been implemented

3 Customers' Ability to Pay

3.1 Summary

Before the most recent review of the Suppliers' Handbook, licensed suppliers were required to adhere to a number of obligations in terms of setting debt repayment arrangements with customers. The Code of Practice on Billing and Disconnection currently requires suppliers to take account of a customer's ability to pay and, in tandem, suppliers signed up to the Energy Engage Code commit to never disconnecting a customer who is engaging with them.

The CER acknowledges the aforementioned measures already in place; however in order to build on those existing protections, the CER is introducing a set of principles and minimum standards to which suppliers must adhere when setting debt arrangements. The CER has taken on board all feedback from respondents regarding its initial proposals and has reflected that input in its decision.

3.2 Decisions

The CER's Decision in respect of suppliers' obligations to take customers' ability to pay into account is as follows:

Suppliers are required to implement a clear, transparent and fair policy to ensure that the customer's ability to pay is taken into account when setting debt repayment arrangements, and offering payment plans and Pay As You Go meters. In developing this policy, suppliers should take into account the following principles:

- **Appropriate credit-control policy and trained personnel**
 - (i) **Disconnection non-payment of account is the last resort and keeping the customer on supply is the main objective**
 - (ii) **Personnel are appropriately trained to deal with customers in financial difficulty and achieve objectives of the supplier's policy**
 - (iii) **Deal with customers who experience financial difficulties in paying their energy bills on a case-by-case basis**
 - (iv) **Offers of repayment are carefully considered**

- **Proactive engagement with customers who are experiencing difficulties in paying their energy bills**
 - (i) **Engage with customers who are experiencing difficulties in paying their energy bills at an early stage to avoid the accumulation of debt**
 - (ii) **Review measures of proactive engagement on a regular basis to ensure that they are fit for purpose**
 - (iii) **Take reasonable steps to understand, using all available information regarding the customer's situation**

- **Customers' ability to pay**
 - (i) Provide clear guidance and training to personnel to ensure effective engagement with the customer in order to ensure sufficient information is provided to develop a workable, fair and transparent debt recovery plan
 - (ii) Hear each case sympathetically and, where appropriate, provide customers with information on relevant third parties which may be able to assist (i.e. recognised charities, Community Welfare Office, MABS, etc.)
 - (iii) Explore and develop options for repayment of debt together with the customer to achieve a successful outcome

- **Repayment arrangements based on the customer's ability to pay**
 - (i) Reasonable and affordable debt recovery arrangements which take into account the customer's circumstances
 - (ii) Upfront payments are presented as an option, not as an obligation

- **Customers' understanding and agreement**
 - (i) Confirm that the customer understands and agrees with the debt repayment arrangements and how the debt will be repaid
 - (ii) Communicate the repayment arrangements to the customer in an appropriate format
 - (iii) Provide information on next steps

- **Monitor repayment arrangements**
 - (i) Monitor repayment arrangements (honoured and failed arrangements for credit customers and top-ups for PAYG customers)
 - (ii) Take reasonable steps to find out why repayment arrangements have failed
 - (iii) Monitor honoured and failed repayment arrangements to understand patterns and review the policy

3.3 Supporting Reasoning

The context and rationale for the CER's Decisions are as follows:

- The principles are aimed at providing guidance to suppliers as to what is expected from them in terms of the obligations to take customers' ability to pay into consideration sufficiently and proactively
- The principles reflect key indicators which the CER consider relevant when assessing suppliers' compliance with this obligation
- The CER has considered feedback from respondents and made slight amendments to the principles with regard to personnel incentives which had been proposed. Respondents had argued that personnel incentives should be left to suppliers and the CER has amended the principles to reflect these arguments. This decision is in light of recent developments in Great Britain with regard to similar measures and also, the CER has taken into account falling disconnection levels domestically. However, the CER will continue to monitor the market in this area in the event that regulatory action is required at some juncture in the future
- The CER also acknowledges suppliers' participation in the Energy Engage Code with the commitment to never disconnect an engaging customer. Notwithstanding this, the CER considers the introduction of the principles as a complement to this process which strengthens protections for consumers

4 Non-Domestic Households

4.1 Summary

Increased levels of competition and greater levels of products and services innovation can bring benefits to all energy consumers, including non-domestic households such as industries and SMEs. Therefore, access to clear and transparent information with respect to plans and tariffs should be available to non-household customers. Currently, energy suppliers engage with non-domestic customers and tailor offers and plans when entering into contracts. Negotiated terms and conditions are necessary steps both parties must take bearing in mind the added level of complexity for non-domestic customers.

However, the CER considers it prudent to introduce measures which aim to increase the level of transparency and information provided by suppliers to non-domestic customers. The CER's decisions centre on information in respect of tariff methodology, complaint handling and information regarding refunds and deposits

4.2 Decisions

The CER's Decisions regarding suppliers' obligations with respect to non-domestic households are as follows:

- 1. Suppliers are required to publish a high level statement regarding the methodology used to determine energy tariffs for non-household customers on their website. The statement should document the considerations of suppliers when setting energy tariffs for different categories of non-household customers and should be accompanied by the CER's Information Note on 'Pass Through Costs for Business Electricity Customers' published annually**
- 2. Suppliers are required to have a fair, transparent and reasonable policy to determine the amount requested from customers as deposit and refund of deposit. The policy must be available in an appropriate format to any person who requests. To ensure accessibility, a link must be provided from the supplier's website to the location where the policy is stored.**
- 3. Suppliers are required to respond to CER's Final Decision to a complaint resolution within 3 weeks from the date of the Final Decision, confirming that the CER's Final Decision has been implemented.**

4.3 Supporting Reasoning

- Markets work better for all customers when consumers are provided with clear and transparent information
- Clear and transparent information will further empower customers to make the right choice for their individual energy needs
- Business customers should be afforded a level of protection which ensures that they have sufficient levels of information easily available to them to make informed choices
- The introduction of these new measures will ensure suppliers provide non-domestic customers with clear and transparent information regarding their considerations when setting tariffs for non-domestic households
- This Decision also ensures that non-domestic customers are now in a position to avail of information regarding their policies in terms of setting deposits for non-domestic households. This will improve the level of transparency in respect of this process
- By requiring suppliers to allocate an accessible space on their websites, customers will now be in a position to access this information more readily

5 Implementation

5.1 Summary

Following the publication of the Supplier Handbook Decision and Further Consultation Paper in November 2016, the CER has conducted an extensive process of engagement with energy suppliers. This process included a number of workshops and a series of bilateral meetings focussed on the further consultation issues and timelines for implementation.

The CER has considered all of the input from suppliers regarding timelines for implementation and has been cognisant of the varying approaches adopted by different suppliers regarding potential impact on IT systems, staff training, billing systems, etc. In tandem, the CER has factored into our thinking additional, impending requirements on suppliers in terms of system upgrades as a result of other market changes.

The CER at all times has been cognisant of the practicalities and challenges faced by suppliers. The CER is also keen to ensure consumers are in a position to benefit from the decisions and measures outlined in this decision paper as soon as possible. Taking all of these issues into account, the CER considers a 6 month timeframe for implementation for the majority of these decisions from publication of this decision strikes the right balance for suppliers and consumers. However, the CER has also taken into account feedback it has received from suppliers particularly with regard to the requirement to display the Estimated Annual Bill on both TV and Radio ads. Therefore, the CER's Decision in respect of this measure calls for a 12 month implementation timeframe.

The CER will continue to work closely with all stakeholders to clarify any elements of this decision.

5.2 Implementation Timelines

Following extensive engagement with energy suppliers since the publication of the decision and further consultation paper, the CER has determined that a period 6 months be allowed for implementation of the series of measures outlined in this decision paper. Therefore, suppliers will be obligated to ensure that implementation is complete by the beginning of Q4 2017.

Further, in its deliberations with suppliers over the last several months, alternative approaches to implementation were put to the CER by some suppliers. For example, some suppliers recommended that an alternative approach to implementation be considered. This approach called for a 'staggered' approach to implementation with a series of dates allocated to each decision. This is in contrast to a single date for implementation across all decisions. Other suppliers however argued against this approach and recommended that a single date for implementation be adopted. Having considered both approaches, the CER considers that a single date for the implementation for the majority of its decisions but one is the optimum approach. With regard to the CER Decision obligating suppliers to display the estimated annual bill on TV and Radio adverts, the CER has decided that a 12 month timeframe from publication for implementation is appropriate for this particular obligation.

The CER acknowledges that in some instances, a 6 month timeframe with a single date for implementation for the majority of its decisions may represent challenges for suppliers however the CER does want energy consumers to be in a position to benefit from these new measures as soon as possible. The CER considers that its decision strikes the correct balance.

5.3 Next Steps

Following the publication of this decision, both the Retail and Consumer Affairs teams will continue to engage with all energy suppliers in the coming months regarding the implementation process. In addition, the Consumer Affairs team will be engaging a process of reviewing the changes to the relevant codes of practice, terms and conditions, etc. for all licenced suppliers. More information on the roadmap for this process will be forthcoming from the Consumer Affairs team and provided to suppliers through the regular industry governance fora.

6 Appendix A Summary of Responses

Summary

This section provides an overview of the responses received by the CER in response to the questions in the *Review of the Supplier's Handbook Decision and Further Consultation* (CER/16/287) published in November 2016. These responses have assisted the CER in forming its views contained in this decision paper. The responses are summarised to highlight the key themes which emerged and are grouped as follows:

6.1 Consideration of Responses listing all of the further consultation questions put forward by the CER in November 2016

6.2 Key Themes of responses received by the CER

However all responses are published in full on the CER's website.⁶

Responses Received

The CER would like to thank all 11 respondents to the consultation.

Responses came in different formats with some respondents providing additional feedback over and above what was required. The CER acknowledges the input from those respondents. The list of respondents is outlined in the table below:

Category of Response	Respondent
Suppliers	Bord Gáis Energy, Energia, Electric Ireland, PrePay Power, Panda Power, SSE Airtricity,
Consumer Interest Groups	Consumer & Competition Protection Commission, Cope Galway, St. Vincent de Paul, NCBI,

⁶ <http://www.cer.ie/electricity-gas/retail/cer-papers>

6.1 Consideration of Responses

This section outlines the series of issues subject to further consultation in the Decision and Further Consultation paper published in November. The specific questions put forward in the further consultation section are also documented.

The issues and questions asked were as follows:

Estimated Annual Bill

Feedback was sought from respondents firstly on the types of advertisement which should be subject to the requirement to display the Estimated Annual Bill.

Question:

Respondents were invited to comment on the 3 options put forward by the CER. Do you agree with these options? Outline reasons for agreement or disagreement. Views were also invited on any other potential options which should be considered by the CER.

Feedback was also sought on the specific types of ads which would be subject to the requirement to display the Estimated Annual Bill.

Question:

Respondents were invited to comment on whether the Estimated Annual Bill should be included on all TV and Radio advertisements, regardless of the content? Outline reasons for agreement or disagreement.

The consultation paper put forward proposed methodology for calculation of the Estimated Annual Bill and sought views on same.

Question:

Respondents are invited to comment on the proposed methodology for calculation of the Estimated Annual Bill. Do you agree with the proposed methodology? Please outline reasons for agreement and disagreement. Are there other components of the Estimated Annual Bill that we should include in the calculation method?

Question:

Respondents are invited to comment on the following proposed requirements:

- i) The Estimated Annual Bill to be displayed on marketing and advertising material promoting energy offers should be calculated as proposed at point b) based on the urban 24hr standard unit rate relevant to each supplier, where the offer is available to this category of customers at the minimum.
- ii) Where an electricity offer is only available to a specific category of customers, then the Estimated Annual Bill should be calculated as proposed at point a) based on the standard unit rate relevant to that category of customers.
- iii) Where the energy offer is not based on discounts off the suppliers' standard unit rate, the EAB should be calculated as proposed at point b) based on the energy prices associated with that energy offer.

Do you agree with the proposed method for calculation of the EAB to be displayed on marketing and advertising material? Please outline reasons for agreement and disagreement. Are there other calculation methods that should be considered?

In tandem with the proposals put forward by the CER in terms of the types of ads subject to the EAB and the proposed method of calculation, the CER also outlined a number of proposals for the display of the EAB on marketing and advertisement material.

Question:

Respondents are invited to comment on the proposed requirements outlined above. Do you agree with these requirements? Outline reasons for agreement and disagreements. Are there other requirements which should be considered by the CER?

Content of the 30 Days' Notice

The CER put forward a number of items to be included in the content of the 30 Days' Notice in the first round of consultation in early 2016⁷. An amended proposal was put forth and views were sought on the alternatives suggested by the CER.

Question:

Respondents were invited to comment on the proposed content of the 30 Days' Notice. Do you agree with the proposed content? Outline reasons for agreement and disagreement. What information do you consider appropriate to be included in the 30 Days' Notice to achieve the 2 main objectives of this notice?

Content of the Annual Prompt

Similar to the approach to the 30 Days' Notice, the CER outlined a proposal for the content to be included in the Annual Prompt in February 2016.⁸ Having considered the responses the CER amended the proposal and invited views on the content of the Annual Prompt.

Question:

Respondents were invited to comment on the proposed content of the Annual Prompt. Do you agree with the proposed content? Outline reasons for agreement or disagreement. What information would you consider appropriate to be included in the Annual Prompt to achieve the main objectives of this notice?

Customers' Ability to Pay

The CER sought comments on a number of principles and minimum standards which suppliers would be obligated to take into account when setting debt repayment arrangements.

⁷<http://www.cer.ie/docs/000885/CER16031b%20Consultation%20Paper%20Review%20of%20the%20Supplier's%20Handbook.pdf>

⁸<http://www.cer.ie/docs/000885/CER16031b%20Consultation%20Paper%20Review%20of%20the%20Supplier's%20Handbook.pdf>

Non-Household Customers

Views were invited on 3 proposed decisions outlined by the CER ranging from information regarding tariff methodology, deposits and complaint handling. Respondents were asked to outline their reasons for agreement or disagreement on the proposed decisions put forward.

6.2 Key Themes

Estimated Annual Bill

Respondents' views

- There was support for applying the Estimated Annual Bill to advertising and marketing material containing a specific energy offer, including discounts, potential savings or where a supplier is claiming a leading position regarding cost, savings, and value for money, etc.
- The majority of suppliers strongly disagreed with the option of including the EAB on TV and Radio ads. Some even saying that it was totally unworkable
- Consumer interest groups expressed strong support for including the EAB on TV and Radio ads
- Some respondents made the case for the CER to ensure suppliers have sufficient flexibility regarding displaying the EAB on ads and marketing materials
- The majority of suppliers have expressed serious concerns regarding proposals made by the CER to require a 6 month timeframe for implementation of the decisions
- Feedback was received which proposed ensuring that suppliers advertise in-line with the Advertising Standards Authority of Ireland (ASAI) code
- A proposal was put forward which would allow suppliers to include details of the Estimated Annual Bill in the terms and conditions of the offer
- Some suppliers and consumer interest groups recommended in their feedback that a campaign of information, led by the CER, be undertaken to engage and educate consumers
- There was general support from suppliers and consumer interest groups regarding the proposed methodologies for calculating the EAB. However, some respondents did urge the CER to make a greater distinction between credit and prepay customers

- Some suppliers recommended that the mechanism of calculating the annual bill should also account for future price and tariff innovation as the market evolves
- There was general agreement that the display of the EAB should be done in a way which minimises confusion for the consumer and doesn't overload them with information to a point where they disengage
- Some suppliers expressed dissatisfaction with the proposals put forward by the CER regarding text, font size, etc. of the EAB on the grounds that these were overly prescriptive

CER View

- The CER was encouraged by the support regarding the application of the EAB to advertising and marketing material e.g. leaflets, pamphlets, etc. However, the CER does consider it prudent to include a requirement to display the EAB on TV and Radio due to its broad coverage and its pervasive nature. Having the EAB visible on all forms of marketing, will also provide for consistency in message from all advertising calling for action in terms of choosing tariffs / seeking saving.
- The CER is accommodating suppliers' requests for flexibility in terms of the EAB by allowing suppliers to display a certain level of information in footnotes
- Moreover, the CER has taken on-board concerns expressed by suppliers regarding the time required to implement this measure and is allowing a 12 month timeframe for the requirement to display the EAB on TV and Radio ads
- The CER does not agree that proposals regarding display, font size, etc. is over-prescriptive and considers its decision with regard to font size, display, etc. represents the best approach for the energy consumer as it will allow the customer to find this information in a clear and straightforward format and minimise confusion
- It's acknowledged that information and consumer awareness is important with regard to the energy market. The CER will undertake a holistic review of a customer education campaign and information required to empower customers

Content of the 30 Days' Notice:

Respondents' views

- Some respondents disagreed with the proposed content and recommended that a less 'prescriptive' approach be adopted
- One consumer interest group proposed alternative text to the CER to be included in the 30 Days' Notice
- The cost of supplying the notice was raised as being substantial.

- Some suppliers also expressed concern with the proposed requirement to reference CER accredited price comparison websites in the content. Concerns centred on affinity deals which PCWs engage in with some energy suppliers. Respondents recommended that the CER conduct a review of the price comparison framework

CER View:

- The CER does not agree that a prescriptive approach is being adopted and considers that its Decision with respect to the specific content of the 30 Days' Notice represents the appropriate balance between sparking engagement from the consumer and providing them with sufficient information to do so
- The CER has taken on board feedback received with regard to the text contained in the 30 Days' Notice and has amended both the question and statement to reflect the input received. The text is clearer and more targeted as a result of these changes. It focuses more on whether the product is right for the customers rather than purely on price.
- The CER is placing an obligation on all suppliers to include information on where the customer can find details of accredited price comparison websites and licensed suppliers on the CER's website. The CER has listened to concerns of suppliers and considers this approach strikes the right balance at this juncture
- The CER has taken on board feedback in relation to costs of implementing this measure. The CER considers that on balance the effectiveness of the notice can be maintained where it is presented in a prominent position on the bill or in a separate written communication. Like all new measures being introduced the CER will keep this policy change under review.

Content of the Annual Prompt:

- There was general support for the introduction of the annual prompt
- One consumer interest group proposed alternative text to be included in the prompt
- The cost of supplying the prompt was raised as being substantial.
- Though some suppliers agreed with the sentiment of the prompt, they strongly argued that it should be specifically targeted at customers who have never switched. Without such a focus, they expressed that its impact would be greatly weakened and non-switchers would not be effectively encouraged to switch.
- The cost of supplying a prompt was raised as being substantial.
- Some suppliers agreed with the frequency of the prompt (every year once you had been on the same tariff for 3 years), one supplier in particular disagreed with it.

CER View:

- The CER has taken on board feedback received with regard to the text contained in the Annual Prompt and has amended both the question and statement to reflect the input received. The text is clearer and more targeted as a result of these changes. It focuses more on whether the product is right for the customers rather than purely on price.
- The CER considers it prudent to require suppliers to issue the prompt to all customers who haven't switched in 3 years or more. This will capture all 'sticky' customers regardless of what supplier they are with and may prompt them to engage in the market and benefit further from competition. The CER considers the annual nature of the prompt to strike the right balance also.
- The CER has taken on board feedback in relation to costs of implementing this measure. The CER considers that on balance the effectiveness of the prompt can be maintained where it is presented in a prominent position on the bill or in a separate written communication.
- Like all new measures being introduced the CER will keep this policy change under review.

Customers' Ability to Pay:

- There was broad support for the proposals as set out in the paper
- Some suppliers expressed concern with the proposal to include personnel incentives in this decision arguing that it wasn't appropriate for the CER to impose obligations in this regard
- Some suppliers supported the objectives of the proposals however sought more detail from the CER regarding the rationale for its introduction

CER View:

- The CER is encouraged by the general support for the proposals and is confirming the vast majority of the proposals
- The CER has listened to the concerns of some suppliers with regard to the obligation on personnel incentives and has removed this obligation. The CER acknowledges the concern that, at this juncture, this may be too targeted of a limitation. The objective of the policy changes are broader and focus on continuous review by suppliers of their debt collection policies and processes in light of how effective they are in terms of customer outcomes.