

**CER's Review of the Supplier's Handbook  
Decision & Further Consultation  
CER/16/287**

**Bord Gáis Energy Response**

## **1.0 Introduction**

Bord Gáis Energy (BGE) has extensively reviewed the CER's Decision & Further Consultation on the Supplier Handbook (CER/16/287) and has collated views from across our business. While we welcome that CER has taken on board many of the comments made during the earlier consultation about some of the more problematic proposals and has decided not to proceed or has amended the proposals, we note that the CER has still included some unworkable regulations which are now Decisions. We also note that CER has also included new areas which were not originally consulted on and are now Decisions - some of these too have issues or are unworkable.

For example, we are still very concerned about the Decision in the Household section, to proceed with eight different information requirements which must appear on **all** energy advertisements (except TV & Radio). This is still unworkable on all of the other forms of advertising and is now coupled with the proposals for the inclusion of an Estimated Annual Bill figure and associated wording. The reality is that this could well lead to energy suppliers ceasing to advertise on price all together thereby inadvertently limiting an already vibrant switching market. Suppliers are unlikely to want to invest significant sums of money into "regulated adverts" and may no longer seek to compete on price. This could in fact have the effect of reducing switching rather than increasing it. We are baffled as to CER's desire to regulate advertising when Ireland has among the highest switching rates in Europe.

We also note that the CER did not consult on the Non-Household section of the Handbook in CER/ 16/ 031, however, it has transposed many of the new requirements from the Household section into Non-Household section of the actual Handbook itself as Decisions. This is the first time Suppliers have seen these Decisions and some of them simply will not work for the Non-Household market. CER must follow due process (as per previous consultations) and first consult on the non-household section before issuing Decisions.

We give further detailed examples of unworkable decisions made in CER/16/287 in Section 2.0 below.

We have reviewed the CER's areas for further consultation and have spent significant amounts of time working through them with our business areas. While we do not object to sending an annual prompt or 30 day notice letter (indeed the 30 day notice letter is a current requirement), we have substantive comments about the content of these letters. We also have serious concerns about an Estimated Annual Bill figure appearing on advertising. We believe that this figure is neither representative nor meaningful to enough customers on national advertising and could therefore be misleading and potentially lead to an increase in customer complaints. It is

unacceptable that Suppliers’ adverts are effectively regulated in a fully competitive market which evidence demonstrates is working very well. We would ask CER to note that Ireland has among the highest switching rates in Europe. Surely regulatory intervention is not required in the advertising sphere. We would ask CER to note the Competition and Markets Authority’s recommendations in this regard in the GB energy retail market where it found that Ofgem’s Retail Market Reforms to provide “simpler choices” for customers had in fact “*restricted the behaviour of suppliers and constrained the choices of customers in a way that may have distorted competition and reduced customer welfare.*”<sup>1</sup>

We set our detailed comments out in Section 3.0 on the Further Proposals.

## 2.0 Unworkable Decisions Made

### Household Section

#### 1. 8 Pieces of Small Print to appear on all advertising except TV & Radio (Decision 15)

- While we welcome the removal of this requirement on TV & radio, the amount of small print that must appear on *all other* forms of advertising is **still** unworkable. See Appendix 1 for an example of a Press Advert that would be in compliance with this Decision (this example also includes the Estimated Annual Bill advertising requirements). The small print is so lengthy as to be meaningless/ unreadable and totally undermines the purpose of the advertisement which is now visually very poor. We would query whether or not this amount of small print would actually meet ASAI Code requirements at section 4.5 - “The design and presentation of marketing communications should allow them to be easily and clearly understood.”<sup>2</sup>
- CER must re-consider this Decision and allow Suppliers freedom to advertise within the requirements of the ASAI Code. Otherwise, CER is effectively creating a “regulated advert” for energy Suppliers. This is counter-productive as Suppliers may cease to advertise on the basis of price in such a regulated manner which will in turn lead to a reduction in switching.

Section	Issue	Proposed changes
2.3.1	Too many pieces of information appearing on the advertisement – makes it unreadable; diminishes the advert and key messages/ caveats to the offer are lost. Other pieces of information	Only include on adverts:- c. where the offer involves discounts or savings presented in either percentages or actual amount, the information must disclose how discounts/savings are

<sup>1</sup> Competition and Markets Authority – Energy Market Investigation – Final Report – June 2016

<sup>2</sup> Advertising Authority of Ireland Code 7<sup>th</sup> Edition

Section	Issue	Proposed changes
	can be given at sign-up by the Supplier e.g. it is not critical to know about all charges on an advertisement or about early termination fees.	calculated and how they apply. d. the date when all tariffs presented or referred to in the advertisement were in place and that prices are subject to changes e. the validity period of the offer. f. Duration of fixed term contract (if applicable) h. reference that T&Cs apply and how to access the T&Cs

## 2. Customer Sign-Up Process (Decision 23)

CER has made *new additions* in the CER 16/287 decision paper to the sign-up process from those proposed in the CER 16/ 031 consultation paper which were not consulted on and give rise to issues for BGE. These changes are:-

- “Where account is opened by a nominated representative, supplier **MUST** have account holder’s consent to open a/c and consent must be in auditable format”. **Suppliers routinely open accounts on the authority of a nominated representative for example letting agents or landlords. It is not workable to get consent before the account is opened due to time constraints and the requirement to keep the supply on. Moreover, we would ask CER to clarify what it means by “auditable format” as most household change of occupancies are done over the phone and phone calls are only retained for a relatively short period due to data protection implications.**
- Suppliers now need to say that “existing arrears will be dealt with by the previous Supplier”. **How does this interact with the current regulated debt-flagging wording that must be stated on sign-up?**
- Suppliers must also provide customers with the cancellation form. **We currently refer to the cancellation form on our website for telesales. This has been deemed compliant with the Regulations. We do not intend to send out a paper copy of the cancellation form for telesales. (We do however leave a paper cancellation form for field sales).**

Section	Issue	Proposed changes
3.2.1 (d) [Account Opening]	Where accounts are opened by the nominated	Remove clause 3.2.1 (d)

Section	Issue	Proposed changes
3.2.1 (g) [Account Opening]	<p>representative of the account holder, it is not workable for Suppliers to get the consent of the account holder-whether in an auditable format or not. This would effectively make it operationally unworkable for nominated representatives to open accounts. This would mean letting agents, landlords etc...could no longer open accounts and Suppliers may have to lock meters between tenancies.</p> <p>Suppliers now have to “explain how existing arrears will be dealt with by the previous Supplier”</p>	<p>Remove the requirement to state/ explain this as it is in conflict with current mandatory debt-flagging wording which must also be said at sign-up i.e. “When your request to switch is processed your current supplier will notify us if your previous account is in arrears for more than levels set for all customers by the Commission for Energy Regulation. If we decide not to carry out the switch because of the arrears, we will notify you in writing.”</p>
3.2.1 (c) [Cooling-Off period]	<p>CER states cooling-off period begins when the customer gets the Ts and Cs and the cancellation form. This is workable for field sales and online sales but for telesales we refer the customer to our cancellation form on our website. Our advice is that this is compliant as it is a</p>	<p>Use the following language at 3.2.1 (c):- – “The cooling-off period shall commence when the customer receives a copy of the necessary documentation, including a copy of the Terms and Conditions of Supply and the cancellation form, as required</p>

Section	Issue	Proposed changes
	“durable medium”.	in relevant legislation (SI 484 of 2013). The customer can be referred to the Supplier’s website for the cancellation form.”

### 3. Notification of Changes to Terms & Conditions of Supply and Price Changes (Decision 60)

Notifications of changes to Terms & Conditions of Supply & Price changes must now be 30 days and by at least 3 methods – (Mass media, on or with bill, website, SMS, letter/ email, notification on the top up)

We would ask CER to note that giving notice by 3 different methods was not consulted on in the CER 16 / 031. It is not workable to give advance notice by 3 different methods.

#### *Price Change Notices*

We currently give customers 30 days notice of price changes via the mass media and on our website. We also give notice on the bill from the time the price change takes effect. We could not also employ a 3<sup>rd</sup> method of notification 30 days in advance. This is just not workable with the billing cycle and a direct letter is very costly (we could not use email or text as we do not have these details for all customers). We would query the necessity of a 3<sup>rd</sup> means of advance notification of a price change? Price changes are widely reported in advance in the media and on our website. We are not aware of any customer issues with this so far. However, it will clearly give rise to significant operational issues for Suppliers and add to our operating costs. Is there any evidence to suggest that a 3<sup>rd</sup> means is necessary?

#### *Terms and Conditions Changes*

We currently give household customers 30 days notice of changes to their terms and conditions of supply. We do this by issuing each of them with the actual changes as a new set of terms and conditions with their bill and giving them an opportunity to withdraw from the contract. We also put the new terms and conditions on our website.

However, we could not provide a 3<sup>rd</sup> means of 30 days notice of changes to Terms and Conditions. Due to their nature, customers need to see what the actual changes are to the terms and conditions to allow them a right to withdraw therefore the only other means this could be done for all customers is by a direct letter to them with the changes once again. This would be prohibitively costly as Terms and Conditions change frequently (once or twice per year) and they have to be issued to all customers at approximately €1 per letter. For Suppliers with large customer bases this is prohibitively expensive and therefore would distort competition in the market. Issuing updated Terms & Conditions with customers’ bills is an ideal way of providing the required notice and at no additional cost. At the same time the new Terms and Conditions are put onto our website. Again, we have had no customer issues with this over the years and

we are unclear why there is a need to issue actual changes to Terms and Conditions by a 3<sup>rd</sup> method? However, it will clearly give rise to significant operational issues for Suppliers and add to our operating costs.

Section	Issue	Proposed changes
9.2.2 (i) & (j)	The requirement to give 30 days advance notice of changes to terms and conditions of supply by at least 3 methods. It is not unworkable and very costly to give <i>advance</i> notice by 3 different methods. 2 methods in advance is achievable (e.g. website and mass media) but 3 methods is not.	Use the following language at 9.2.2 (i) “The means must include, at a minimum, at least two of the following methods....”  Also, CER to check wording of (j). (j) should refer to tariff changes – pasting error?

#### 4. Some Proposals are not Mentioned in CER 16/287 Decision Paper but appear in the Supplier Handbook itself

Two of the original Proposals from CER 16/031, have not been mentioned in the Decision Paper (CER 16/287) (not accepted or rejected). However, one of them appears in the Supplier Handbook (CER 16/289) draft itself. Therefore we are unclear on their status and the reasoning behind why they were rejected/ accepted. These are:-

- To Appear On Bills - Comparisons of final customers’ current consumption with consumption in the previous billing intervals (at least the same period in the previous year) – preferably in graphic form. This appears in the Supplier Handbook at page 37. We note CER states in a footnote to the Supplier Handbook that it is to engage with industry on this. BGE would like to know when this consultation will take place. This is a significant change to BGE’s bills and we would like to explore the option of an annual statement rather than all of this information appearing on bills. We would ask CER to note ACER’s recent 5th Retail Market Monitoring Report in its “Recommendations on Consumer Protection and Empowerment” it states:-

*“Bills should also not be the sole source of information for consumers. Rather than adding information to the bill, there should be other ways to inform consumers on a regular basis. Therefore, to add more information elements to bills as a legal requirement, either at the European and or national level would be counter-productive for the consumer.”<sup>3</sup>*

- To Appear On Bills - Where possible and useful, comparisons with an average normalised or benchmarked final customer in the same user category.

We would therefore request that CER clarifies the status of these proposals.

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<sup>3</sup> ACER – 5<sup>th</sup> Retail Market Monitoring Report (9 November 2016) – Key Insights & Recommendations

## **Non-Household Section of Supplier Handbook**

We note that CER has transposed much of the new wording from the Household section into the Non-Household section of the Supplier Handbook and this is presented as a Decision. This is the first time that Suppliers have seen this language as it was not included in the earlier consultation round. This is unacceptable – the language in the Non-Household section is being presented as a Decision yet Suppliers have been unable to comment on it before. The CER should follow due process with the Non-Household section and allow Suppliers the opportunity to review and comment on the language in the Non-Household section.

Some of the language simply will not work for Business customers. For example, Guaranteed Standards and the Customer Charter are mentioned. These do not apply to the business market and CER has stated this elsewhere in the paper. We note that large sections of all of the Household codes have been copied across into the Non-Household section. For example, a cooling-off period is mentioned. This legally does not apply to businesses. Suppliers must now be given the opportunity to review and comment on the Non-Household section in detail to ensure it is fit for purpose and suitable for the business market.

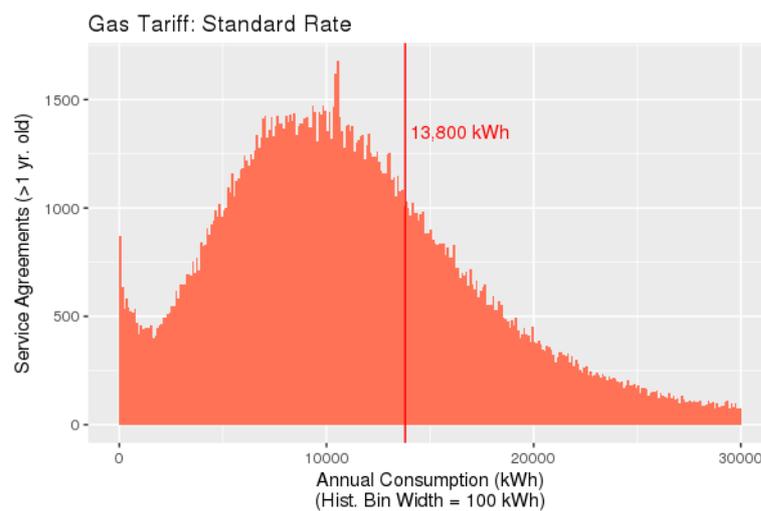
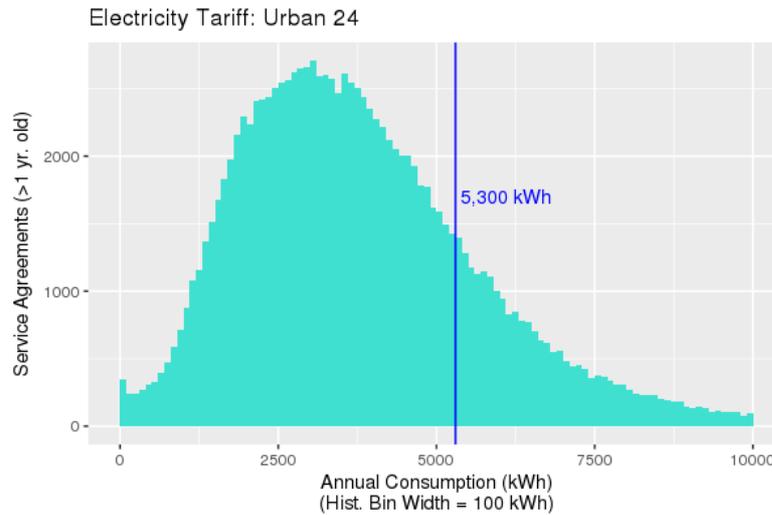
### **3.0 Areas for Further Consultation – Household Section**

#### **3.1 Marketing & Sales Code**

##### *1) Estimated Annual Bill to appear on Advertising*

- BGE has serious concerns about presenting an estimated annual bill (EAB) on relevant advertising material. In particular:-
  - Calculation of EAB – The proposed calculation is based on annual average consumption figures and in electricity on the 24 hour Urban tariff and the standard gas tariff. We are concerned that this figure *which will be appearing on all advertisements to all customers* will only be meaningful to a certain number of customers. For example, only 60% of Irish customers are on a 24 hour Urban electricity tariff and as demonstrated by the graphs below, the majority of BGE's customers do not correspond to the national average consumption figures yet, we are to present this EAB figure very prominently on **all** of our national adverts.

*BGE Customer Base on Electricity Urban 24 Hour Tariff & Gas Standard Tariff*



- Having spent nearly 40 years advertising energy in the Irish market, we have serious concerns about this. Firstly, it is potentially misleading to a high proportion of customers and secondly it is very much an urban-based figure. (Please note we do not have different advertising campaigns for rural customers due to the costs involved). We believe this could lead to a rise in complaints to Suppliers, CER and the ASAI from customers who feel misled by such a figure which is being so prominently presented on an advert. We believe that presenting the EAB on all advertising could be a deterrent to switching for low consumption customers and also misleading for higher consumption customers. Both customers (High and Low) will just see a prominent, headline figure on all

advertising which bears no relation to their actual consumption and therefore will not appeal to these customers thereby reducing switching rates.

- Displaying the EAB on advertisements – we simply do not believe that this should be implemented/included on advertisements for energy offers. The presentation of the EAB (with the 4 very specific requirements CER has listed on p.115) coupled with all of the other 8 requirements that CER has now decided upon has now created in effect a “regulated advert”. Suppliers are unlikely to invest significant sums advertising on price if we have to follow a regulated advert. Advertising spend will instead move away from price and focus on other non-price related offerings. These proposals intrude on a Suppliers’ ability to advertise its own products in a fully competitive market. We would again ask CER to note that Ireland has some of the highest switching rates in Europe therefore we are baffled as to the need for presentation of Estimated Annual Bills prominently on all advertising. We believe that all Suppliers advertising in such a manner would in effect lead to a reduction in switching as Suppliers are unlikely to invest heavily in such price advertising.
- We would ask CER to note that the Competition and Markets Authority’s investigation into the GB energy retail market (Final Report - June 2016) stated that the Retail Market Reforms (RMR) introduced in 2014 by Ofgem to create “simpler choices” for customers may have had the effect of distorting competition and reducing customer welfare. CMA stated *“The stated purpose of RMR was to promote customer engagement in the retail energy markets in order to improve the competitive constraint provided by customer switching. However, some of the RMR measures restrict the behaviour of suppliers and constrain the choices of customers in a way that may have distorted competition and reduced customer welfare.”*<sup>4</sup> We would urge the CER not to over-regulate an energy retail market that is working well by introducing mandatory EAB figures on all Supplier advertising. We believe this will have a similar effect to the changes introduced in the GB market and distort / soften competition and stifle Supplier innovation.
- In order to demonstrate to CER how such a “regulated advert” would look, we have produced a sample Press advert – see Appendix 1. We have also included all of the other small print that CER requires under the Decision on small print on adverts on P.46 & 47 (see above issue under Decisions). BGE, as an experienced advertiser, does not believe this proposed advert is acceptable. It is very complex, unclear and potentially misleading. We are unlikely to choose to invest money in such advertisements.
- We believe that if CER is concerned about informing customers about EABs then this can be done in other ways outside of all Supplier advertisements. For example, there is already information available about EABs on CER accredited Price Comparison Websites. Moreover, customers can actually input their own consumption on these Websites to get an accurate EAB for them (rather than seeing an average EAB for the market). Suppliers could produce EAB figures

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<sup>4</sup> Competition and Markets Authority – Energy Market Investigation – Final Report – June 2016

on their own websites and develop calculators for customers to input their own annual consumption.

Section	Issue	Proposed changes
2.3.1 (b)	Estimated Annual Bill figure to appear on all advertisements. As noted above, BGE is opposed to this proposal.	Estimated Annual Bill figures to appear on Supplier websites for offers or to be available to customers at sign-up where requested.

## 2) *Content of the 30 Days Fixed Term Notice Letter*

The requirements for such a notice letter is already in the current Supplier Handbook from 2012 and BGE issues such a letter. However, the CER is proposing to drastically amend its content. We have serious issues with the proposed content where indicated below (the lettering follows the CER's paper):-

- c) **Estimated Annual Bill (EAB) for the customer's current energy plan.** This is a letter that is directed to an individual customer. To include an EAB using CER's averages (as per the proposed calculation of the EAB – see point 3 below), is completely misleading and confusing to a customer. This average bill figure will bear no relation to their actual bill and it will confuse them if they think this is their bill. We cannot go down the path of an individually tailored letter to each customer either – this is impossible in system terms given the number of variable fields that need to be calculated for each customer under the proposals.
- e) **EAB for the customer's new tariff based on CER approved annual consumption figures** – issues as c) above.
- f) **This exact text: "Paying too much for energy? Consider switching to a cheaper tariff!"** - A customer getting this letter will most likely have been on the Supplier's cheapest tariff i.e. a one year fixed term deal at a good discount. There may be no cheaper tariff. Moreover, Suppliers should not be told how to market to their own customers.
- g) **EAB for alternative offers currently available and details on how to enquire about these offers.** BGE has multiple offers running currently depending on product/ product combinations, channel used, payment method, billing method, affinity deals etc... to include an EAB for each of them would result in a very long letter indeed.
- h) **the amount the customer stands to a) lose if he/she defaults on a tariff at expiry of the FT contract or chooses to stay with the existing tariff OR b) Gain if she/he chooses the cheapest available energy offer or chooses to switch to the cheapest tariff.** Both of these figures would have to be an individually calculated for each individual customer who was receiving the letter. We are issuing many

hundreds of these letters each month. We would simply not be able to practically do this on our Billing system for each individual customer given the data requirements. This is also confusing when the figures being quoted throughout the letter are based on industry averages.

i) **This exact text: “There are no penalties for switching!”**. We fundamentally disagree with telling our own customers to switch Supplier. We are happy to tell them about our own offers but we do not see why we should have to encourage switching when Ireland has the highest rates of switching in Europe. There are clearly no issues with switching. We also strongly object to including reference to CER accredited price switching websites. These are commercial enterprises who earn commission from customers switching. We do not believe it is appropriate for CER to promote them in this manner and to require Suppliers to also promote them to their customers.

BGE has created a sample 30 Day Fixed Term Notice letter using the CER’s proposed wording and has included it in Appendix 2. As CER can see this letter is very unclear, lengthy and confusing. We simply could not send such a letter to our customers due to the confusion it would cause and hence inbound calls to query it. We would similarly seek clarification from the CER on the status of these letters from a data protection perspective. Would these letters be classed as “marketing” by the DPC and therefore we would need to exclude those customers who had opted-out of marketing?

Section	Issue	Proposed changes
9.2.2 (k)	BGE does not object to sending a Fixed Term Notice Letter (indeed this is a current requirement in the Handbook). However, the proposed content of this letter is confusing and meaningless as outlined above.	<p>The Notice should only include:-</p> <p>“Date when the customer’s Fixed Term Contract is due to expire.”</p> <p>“The new Price Plan/ Tariff that the customer will go onto at expiry of their existing contract.”</p> <p>“The new terms and conditions that the customer will go onto at expiry of their existing contract and where these can be found.”</p> <p>“Any new offers/ deals that the Supplier can offer the customer and a Call to Action.”</p>

*d) Content of the Annual Prompt to customers on same tariff for 3 years*

BGE has no issues with issuing an Annual Prompt to customers on the same tariff for 3 years. Indeed we currently contact customers who are not availing of all of the offers they could via direct mail and telephone. However, we do object to the proposed content of the annual prompt. We have serious issues with the proposed content where indicated below (the lettering follows the CER's paper):-

**j) Charges currently being paid by the customer (unit rate, standing charge, prepayment rate etc...)** – putting a list of all charges in a tariff is meaningless to a customer. We should just say e.g. “you have been on our standard tariff for the past 3 years or more. For details of our standard tariff see our website or call us on X”

**k) EAB for the customer's current energy plan (based on CER approved annual consumption figures)** - This is a letter/ direct mail that is directed to an individual customer. To include an EAB using CER's averages is completely misleading and confusing to a customer. This average bill figure will bear no relation to their actual bill and it will confuse them if they think this is their bill. We cannot go down the path of an individually tailored letter to each customer either – this is impossible in system terms given the number of variable fields that need to be calculated for each customer under the proposals.

**l) This exact text: “Paying too much for energy? Consider switching to a cheaper tariff!”** – We are happy to say something equivalent to this to customers getting the annual prompt but Suppliers should not be told how to market to their own customers.

**m) EAB for alternative offers currently available and details on how to enquire about these offers.** BGE has multiple offers running currently depending on product/ product combinations, channel used, payment method, billing method, affinity deals etc... to include an EAB for each of them would result in a very long letter indeed.

**n) the amount the customer stands to a) lose if he/she defaults on a tariff at expiry of the FT contract {SIC} or chooses to stay with the existing tariff OR b) Gain if she/he chooses the cheapest available energy offer or chooses to switch to the cheapest tariff.** Both of these figures would have to be individually calculated for each individual customer who was receiving the letter- this would be thousands of letters being issued each month. We would not be able to do that on our billing system. This is also confusing when the figures being quoted throughout the letter are based on industry averages.

**o) This exact text: “There are no penalties for switching!”.** We fundamentally disagree with telling our own customers to switch Supplier. We are happy to tell them about our own offers but we do not see why we should have to encourage switching when Ireland has the highest rates of switching in Europe. There are clearly no issues with switching. We also strongly object to including reference to CER accredited price switching websites. These are commercial enterprises who earn commission from customers switching. We do not believe it is appropriate for CER to promote them in this manner and to require Suppliers to also promote them to their customers.

**p) Information on CER accredited price comparison websites and details the customer will require to make the switch – see o) above.**

BGE has produced a sample annual prompt letter using the CER’s proposed wording and has included it in Appendix 3. As CER can see this letter is very unclear, lengthy and confusing. We could simply not send such a letter to our customers due to the confusion it would cause and hence inbound calls to query it. We would similarly seek clarification from the CER on the status of these letters from a data protection perspective. Would these letters be classed as “marketing” by the DPC and therefore we would need to exclude those customers who had opted-out of marketing?

Section	Issue	Proposed changes
9.2.2 (1)	BGE does not object to sending an annual prompt to customers who have been on the same tariff for 3 years. However, the proposed content is confusing and meaningless to customers as outlined above.	<p>The Notice should only include:-</p> <p>“That the customer has been on the same tariff/ Price Plan for 3 years or more. The tariff/ Price Plan is X”</p> <p>“Here are some of the Supplier’s new deals that are available / Call to Action.”</p>

### 3.2 Disconnections Code

CER proposes a new section in the Disconnections Code which sets out that Suppliers must take a Customer’s ability to pay into account when setting debt payment arrangements.

- CER has set out a number of principles that we must consider when setting debt payment arrangements. BGE agrees with this in principle but some of the proposals are impossible to implement:-
  - CER states the principles apply to credit and PAYG meters equally. This is not workable. At the moment all customers who repay arrears via a PAYG meter do so at 25% of the total top-up. If we were to take each case individually (as per these proposals) then each PAYG meter customer would have to be assessed individually and everyone would end-up on a different tariff for repayment of PAYG debt. This is not possible within our billing system. We cannot have multiple tariffs on PAYG. Moreover, how does this interact with previous CER rules that debt can only be recovered up to 25% - does this proposal overrule that? For example, could Suppliers recover more than 25% if each case is assessed individually?

- CER states that personnel incentives should be linked to successful outcomes (such as customers honouring repayment agreements) and not the recovered debt. This is a significant issue for us. We currently incentivise external debt collection companies to recover debt. Indeed we incentivise all outsourced credit collections agents in this way. This has been successful in terms of recovering debt owed. We do not believe CER should be dictating Supplier’s personnel policies in this manner. It also means that those who cannot pay and enter into a payment arrangement are subsidising those who do not pay at all and leave debt behind.
  - CER states we need to monitor repayment arrangements including for PAYG meter debt customers – we would ask CER to note that Suppliers cannot monitor top-ups. We simply do not know why customers may or may not have topped-up.
  - CER states that we need to take reasonable steps to find out why repayment arrangements have failed. This suggests that as soon as we notice a payment arrangement has not been upheld we need to contact the customer to understand why. This will add significant overhead. As soon as a payment arrangement is not upheld then the customer goes back into the general collections process and the customer will be called/ contacted/ texted in the usual way. We cannot make a specific call to customers asking why they have not adhered to their agreed payment plan.
- Suppliers have already agreed to the voluntary Energy Engage Code in this regard. We need to ensure that any new rules in the Supplier Handbook are compatible.

Section	Issue	Proposed changes
6.3.4 [this should be 5.3.4 in the draft Handbook]	Suppliers must take a customer’s ability to pay into account when settling debt payment arrangements, including the debt recovery rate for PAYG customers. As noted above, the CER has already set debt recovery on PAYG at no more than 25% of the top-up.	“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 payment arrangements, including the debt recovery for PAYG meters which can be no more than 25% of the total top-up.”
5.3.5 (1) (e)	Personnel incentives linked to successful outcomes and not the recovered debt. Please see above for issues with this.	Remove this clause.

Section	Issue	Proposed changes
5.3.5 (6) (a)	Monitor repayment arrangements (top-ups for PAYG customers). Please see above for issues with this.	Remove the requirement to monitor top-ups for PAYG customers.
5.3.5 (6) (b)	Take reasonable steps to find out why repayment arrangements have failed. Please see above for issues with this.	Change this wording to “Take reasonable steps to find out why repayment arrangements have failed. This can be done as part of the Supplier’s general credit control process/ follow-up on arrears.”

### 3.3 Non-Household Section

CER states that a Deposit policy (for Business Customers) must be transparent, reasonable and published.

- BGE assess business customers individually by checking credit rating agencies, past history, company records etc...How can a supplier publish a policy that is different for every business customer? We have a published policy for residential customers (on our website) but this is not possible for business customers. We could however detail some general guidelines about how we assess business customers. We could provide general high level indicative information about how to achieve a successful credit score but anything further would undermine our ability to mitigate our financial risk. We cannot have a “transparent” policy as each business is assessed individually.

Section	Issue	Proposed changes
Non-Household Section – 6.5 [Suggest use different numbering in Non-Household section so that numbers carry on sequentially throughout the whole Handbook]	Requirement to have a fair, transparent and reasonable deposits policy for Business Customers which is on Suppliers’ websites. See above for issues with this.	Change wording in 6.5.2 to “Suppliers must put on their websites the general principles/ guidelines that they apply when assessing business customers’ credit worthiness and whether or not to request a deposit. Suppliers must also state what customers must do to achieve a successful credit score.”

#### 4.0 Further Additional Comments

##### *Vulnerable Customers Code*

In our response to CER 16/ 031, BGE put forward that the industry should also give vulnerable customers the option of completing an online registration form if desired. We have had feedback from many vulnerable customers that they have difficulty completing a hard copy form and posting it back and that it seemed to work against the notion of accessibility. CER has stated in the current Supplier Handbook from 2012 that a hard copy form is required for data protection reasons. However, we note that Irish Water was allowed by the CER and the Data Protection Commissioner to use an online registration form. We note that CER has not included this proposal in the draft version of the Supplier Handbook issued with CER 16/287. We would urge the CER to consider this for the energy market due to accessibility and state that online sign-up is allowable in the new Supplier Handbook.

Section	Issue	Proposed changes
7.4	There is no mention of allowing customers to complete an online registration form. This would improve accessibility for vulnerable customers.	Add in a new clause:-  “7.4.6 Suppliers may have an online registration form/system for Vulnerable Customers which follows the Guidelines in Appendix C. This form does not require to be in paper/ hard copy format but Suppliers should ensure completed registrations using the online method are auditable.”

##### *Billing and Disconnection Code*

BGE has identified a proposed change from CER 16/031 which was not highlighted as a change and was presented as being already a requirement in 6.6.5 of the current Supplier Handbook from 2012. This is not the case.

Current Supplier Handbook Wording:-

6.6.5 Where a customer has switched supplier or closed their account the final closing bill will be issued not later than six weeks from the effective date of the change of supplier or account close taking place. Where a replacement meter reading is issued to the supplier after the final bill has been issued, this will be dealt with as an exception to this requirement.

CER Proposed Changes to 6.6.5 in CER 16/031 (changes shown in underline)

“6.6.5 Where a customer has switched supplier or closed their account the final closing bill or statement will be issued not later than six weeks from the effective date of the change of

supplier or account close taking place. The final bill/statement shall include information about any credit due to the customer and how this will be refunded. Any credit due to the customer should be refunded no later than 2 months from the date when the account was closed by the customer. The refund method must be reasonable, transparent and free of charge. Where a replacement meter reading is issued to the supplier after the final bill has been issued, this will be dealt with as an exception to this requirement.

As demonstrated above, the sentence “Any credit due to the customer should be refunded no later than 2 months from the date when the account was closed by the customer” is not shown by the CER to be a change to the current wording. This wording is in fact a change to the current wording and BGE is now objecting to its inclusion due to reasons of practicality. Suppliers cannot automatically refund monies to customers who have closed energy accounts. BGE makes a statement on the final bill asking customers to contact us to get a refund. We can facilitate this by EFT or cheque and as soon as the customer contacts us. However, to commit to doing this within 2 months suggests some form of automated refund. This is not practical as we do not always have bank account details (or the customer may have closed the account as well) and we cannot simply post a cheque as we may or may not have a forwarding address. We can commit to giving refunds within 2 months *provided that* the customer contacts us to obtain a refund.

Section	Issue	Proposed changes
4.7.9	Any refund due to the customer should be refunded no later than 2 months from the date when the final energy bill or energy statement was issued. This is only possible if the customer contacts us to get the refund and tells us the format it wants the refund in – cheque or EFT and to which bank account otherwise monies could be sent to wrong addresses/ wrong accounts.	Change wording to:- “Any refund due to the customer should be refunded no later than 2 months from the date when the final energy bill or energy statement was issued provided that the customer has contacted the Supplier to notify them how/ where he/she wants the refund. The refund method must be reasonable, transparent and free of charge.”

## 5.0 Conclusion

As set out in this response, BGE has some serious concerns and issues with some of the Decisions already made and the Proposals for Further Consultation in CER 16/287. Our most serious concerns are around:-

### *Unworkable Decisions Already Made:-*

- 1) Decision to have 8 pieces of information on all advertising (except TV and Radio)
- 2) Changes to the sign-up process (which were not consulted upon in CER 16/ 031)

- 3) Requirement to now notify customers of Price Changes and changes to Terms & Conditions of Supply in advance by 3 different methods (this was not consulted upon in CER 16/ 031)

*Concerns on Further Proposals:-*

- 1) The proposed requirement to put an Estimated Annual Bill figure on all advertising material
- 2) The proposed content of the 30 Day Fixed Term Notice letter
- 3) The proposed content of the Annual Prompt
- 4) The proposed inclusion of certain of the new rules in the Disconnection Code around taking a customer's ability to pay into account.
- 5) The proposal to publish a Deposits policy for Business Customers.

*Non-Household Customers Section in the Supplier Handbook*

CER has copied over large sections of the Household Section into the Non-Household section. Changes to the Non-Household section were not set out in the previous consultation round. CER must follow due process and allow Suppliers the opportunity to comment on the wording of the Non-Household section before it is presented as a Decision.

There are clearly serious issues as set out here for the functioning of the competitive energy retail market. Bord Gáis Energy urges the CER to re-consider the Decisions and Proposals set out above. We are available to meet on any aspect of this response at the CER's convenience.

**APPENDIX 1 – Sample Press Advert to show all required small print and Estimated Annual Bill presentation**

**APPENDIX 2 – Sample 30 Day Fixed Term Notice Letter**

**APPENDIX 3 – Sample Annual Prompt Letter**