

Modification 0593: Provision of access to data for Price Comparison Websites (PCW's) and Third Party Intermediaries (Tpi's) - Views by the Utilities Intermediaries Association

The Utilities Intermediaries Association (UIA) enhances the reputation of the Tpi sector of the utilities industry by giving confidence to those who use the services of UIA members, and has done so since 2006.

The UIA is a Trade Association, which produces and maintains a register of Tpi's also known as Consultants and Brokers, who meet and continue to meet the Associations requirements and agree with and operate to, the UIA Code of Practice. The UIA maintains the processes where a user of its Members services, who become dissatisfied, can seek independent redress. The Articles of Association of the UIA reflect the benefits to consumers and are available from www.uia.org.uk

The UIA has closely monitored the progress of the CMA over the last two years and has submitted responses to consultations prior to the publication of its findings.

The UIA considers that a number of points within the final published report do not contain the full purpose of why the change is being required. It is these purposes which should be fully explored before any initiation of significant change is made, as this could end up not providing the answer to the original issue the CMA felt they wished to address.

The UIA respectfully suggest the following key points, which we would be grateful if they were published to the Modification Panel members and for others to see, note and discuss.

The proposal of the above Modification in response to the CMA report as it is written, is a step in the right direction and the UIA applauds the potential this modification can bring when the implications have been fully discussed and the opportunities for the market taken into account and are in place. Self-initiated change is to always to be applauded. However the availability of both ECOES and SCOGES to every PCW and TPI, over and above the provision of site by site enquiry, has to be questioned if the opportunity by some to use as a mailing list is to be avoided.

On the other hand heavy, detailed and cumbersome processes for access and to ensure compliance, should be avoided.

First key facility - Access to the data, which will allow a transfer to go smoothly before or after the transfer has failed.

Second key facility - Access to a knowledgeable person who can review why a transfer has failed. Plus the opportunity to email information to that person who can interpret what the correct data is.

Both these key facilities have been lacking in the Non-domestic arena for some time. If the enactment of this modification can provide these facilities, it will be a major accomplishment.

Historically, the Licences for Shippers, Transporters and Suppliers required that all relevant data be transferred up and down the communication chain to ensure it was always in line. With the relaxation of the Licence condition and fragmentation of the elements, which make up the whole process such as meter reading, meter infrastructure and ownership etc. the data pools are no longer in sync. An opportunity for this, or an additional, modification would be the reinstatement of the requirement to maintain data pools in harmony across the market, by the transfer / exchange of all data elements, which have changed.

In principle:-

The industry requires a glossary of agreed definitions for the various parties. Ofgem have struggled with the definition for differentiation of PCW and Tpi, through their work to produce a Code of Practice for Tpi's, in this instance, it is the similarity of purpose that needs to be defined.

Further and because of this the CMA did not wholly grasp the definitions. PCW's operate electronically and tend to handle Domestic customers. Third Party Intermediaries (Tpi's) in the domestic market tend to be Agents of Suppliers. Tpi's who are independent of Suppliers tend to work for customers in the Non Domestic market.

The work type and process for the PCW and Tpi parties is suggested below by the UIA but may not be considered comprehensive enough as a definition.

Price Comparison Websites, by their very nature, switch customers who have chosen to access the site and decided to seek a different price. The customer enters much of the data themselves in order to receive quotes and before accepting any terms and conditions. This is completed electronically and the PCW then send the transfer electronically to the Supplier. The customer initiates the contact and finalises the deal. The customer remains in control.

However, the data is being verified and handled, by the PCW now. Any additional clarification or verification that is required to smooth the transfer is being dealt with by the PCW. This brings into question:- Why do the PCW's now require full access to ECOES and SCOGES? Do they already have some access to this data by other means?

Third Party Intermediaries (Tpi's) are in two categories:-

- The first are **Agents**, (which has a specific legal definition,) of a Supplier and work under the rules and processes of the Supplier to whom they respond. We believe there is already the ability for an agent of a supplier to access this data but we believe agents in this instance are few and far between in the non-domestic market.
- The second are Independent of Suppliers as dictated to by Supplier/Tpi contracts, although they may have a strong relationship with a few. They seek, or are sought by customers, and then work on the customer's behalf to provide a range of services. These services can include obtaining utility prices for the customer to choose from, to managing invoices for multisite companies, checking those invoices for accuracy and dealing with the suppliers on the customers behalf across all aspects. This relationship can operate for a number of years or at least for the duration of the utility contract. Many of this second group are members of the UIA.

Outlined issues:-

- Most relevant information to transfer a domestic customer is available from a customer's recent invoice, unless the customer is entering a new premises or have moved house to an existing premises.
- Issues for the Independent Tpi, are around the pricing of quotations and the availability of the relevant AQ, meter set up etc. as set out in the Modification proposal under point 3, It is right this is recognised as a priority to be made available as the basis for prevention of failed transfers.
- Tpi's work on behalf of the customer, only after receiving authority from the customer by a signed Letter of Authority (LoA) which sets out the range of actions the Tpi' is authorised to carry out.
- This LoA can be in place for the term of the contract or indeed until it is countermanded sometime in the future.
- The data to be made available through this modification should be no more than any PCW or Tpi would have been in possession of if the transfer had gone through smoothly.
- The process may need to recognise LoA's unless access is to be granted by other means.

Data.

The issue of Data Protection and specifically the issues of making the data available to parties not directly associated has been raised by the UIA and the attached documents help in the understanding of that.

- Encl. 1. The letter from the UIA to the Information Commissioner dated 18th June 2016 – which while comprehensive seeks to outline the purpose and outcome to be sought and the process to be adopted.
- Encl 2. The reply from the ICO in direct response to the letter.

The UIA therefore considers that:-

For the most part a phone line and email address, which allows provision of helpful and clear detail of why a set of data has failed the transfer process and submission of LOA, will suffice.

The trial to which I refer in the letter to the Information Commissioner detailed above, dealt with around 40 key issues which required significant attention by staff who knew what they were doing and could interpret what had gone wrong. On some occasions this caused the cleaning up the data which was in error on the Xoserve or Supplier system.

Neither, availability of ECOES nor SCOGES will help if the data to which one is referring is not what is required to unlock the issue.

Tpi's and PCW's will normally require data for one site at a time unless a Multisite customer is changing supplier.

Full access to the two systems to ensure compliance with the CMA words will be difficult to manage and begs the question why make them fully available. It is considered that some Tpis have already been given access to this data. There is evidence and Ofgem could verify this.

It may be that the CMA sees a bigger need which has been explained to them by various parties, but this does not come across in the CMA report. There are statements around the narrow purpose for these changes, around the ability of customers to transfer, and registration failures owing to wrong data. These are only arguments for site by site access and support for when reconciliation of data issues is not possible. Any other purposes are hidden.

Having said all that, the modification is an enabling Mod and one which does seem to address the words in the CMA report.

The UIA would urge those within and without the Mod panel who will be seeking to take all considered views on board, that while instigating a suitable response to the CMA words and address the needs of the PCW's, to look kindly on providing an answer for the small number of BIG issues, which independent Tpi's have to work through. Putting in place a fast and easy process to deal with those cases via a phone and email contact would be such a benefit to the non-domestic market, both customers and those who support them.

The remaining outlined process encompassed by the Mod 0593, of audit and management would be over bearing on those who wanted an answer to the issues with an individual supply point once in a while.

The processes as outlined in the Mod to control the issues of Data, are designed at keeping the horse in the stable or dealing with it when it is well down the field, both are expensive and require significant amounts of time and effort.

Further exploration of why the CMA think making the two systems available and to help the CMA understand the effect of giving full access rather than site by site access may bring about a different and lower cost outcome.

The UIA is very prepared to explore further the points raised here and assist the passage of the modification to fruition, should any party wish to make contact.

If you wish to make contact please ring Peter Thompson on 07778 416365.